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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From The New York Times, July 3 -

STOP-GAP PRICE CURBS ABANDONED-Washington-Efforts to obtain Senate passage of a stop gap price control resolution were abandoned today and Administration leaders began work instead on the fashioning of a long-range measure to be substituted for the bill vetoed by President Truman.

The change in strategy was agreed upon at the insistence of the majority leader, Alben W. Barkley of Kentucky who had maintained from the first that it would be useless to seek Senate approval of a resolution reviving until July 20 the powers of the Office of Price Administration as they existed prior to the agency's expiration Sunday at midnight.

He contended that it would take no longer for Congress to pass a full-fledged substitute for the vetoed bill, since an emergency measure such as the one passed yesterday by the House would be subject to the same amendments and delaying tactics on the Senate floor.

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MEATS SOAR; OTHER RISES ARE LIKELY-The first big break-through in retail food prices came yesterday when butcher shops that had shunned the black markets while price controls were in effect suddenly hoisted their prices, the increases amounting to more than 50 percent in some cases.

The increases, which did not deter buying in a market where supply was still far short of normal demand, came despite pledges of trade associations to "hold the line" against inflationary trends resulting from the lapse of Federal price controls.

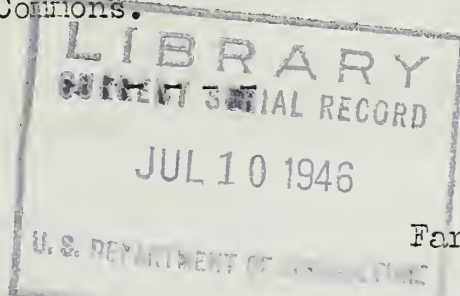
While legitimate meat price soared to an average of 20 cents a pound above former ceilings, prices of many fresh vegetables and fruits dropped in this city. The increase meat prices reflected the end of Government subsidies and an upsurge of above-ceiling sales of livestock. The further decline of produce prices, many of which had sold below ceiling even last week, was due to heavy seasonal receipts from farms and truck gardens.

Milk producers held two meetings here yesterday to demand immediate price relief as a result of the ending of Federal subsidies. Spokesmen for the industry estimated that a rise of 2 to 3 cents a quart to consumers would be necessary to prevent the diversion of milk from the metropolitan area to other markets.

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GERMAN FOOD SUPPLY SAID TO BE CRITICAL-London-Until the arrival of the bulk of United States shipments the British Government will not have more than four or five days' supply of bread grains in the British zone of Germany and will be "hard pressed to maintain distribution," John B. Hynd, chancellor of the Duchy of Lancaster told the House of Commons.

(Turn to page 2 for other items in today's N.Y. Times.)



From The New York Times, July 3 -

BOWLES SEES LIVING COST DOUBLING IN 20 DAYS IF PRICES KEEP TREND-Washington-The "wild" price and rent increases that occurred after the collapse of price control were "only a taste of what lies ahead if we accept anything less than really effective price and rent control legislation," Chester Bowles departing Director of Economic Stabilization asserted tonight in a farewell message to the American people.

"Actually yesterday's increases turned out to be worse than I had feared," Mr. Bowles said. "On Monday alone the index of spot market prices for basic commodities took the phenomenal jump of 3.7 percent. I doubt if this daily increase could continue under any circumstances. But if it did it would take only about twenty days like this to double--or more than double--your cost of living."

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SHARP BREAK MADE IN COTTON MARKET-Cotton futures on the New York Cotton Exchange had a sharp break yesterday, closing at or near the lowest levels of the day, or 37 to 48 points net lower.

The New York Cotton Exchange reduced margin requirements to \$10 a bale when cotton sells up to 25 cents a pound; \$15 a bale when cotton sells from 25.01 to 30 cents, and \$20 a bale above the 30-cent level. While Mr. Bowles had raised the margins to \$80 a bale in an attempt to put prices down, the cotton market rose to new high levels for twenty two years with a high margin requirement, and yesterday with a low margin, it had a sharp break. Cotton men said that margins have nothing to do with making the price of cotton.

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OATS TRADE CALM; PRICES ARE LOWER-Chicago-Trading in oats futures on the Board of Trade today lacked the hysteria of yesterday when general buying developed following the demise of the Office of Price Administration. Uncertainty regarding the outcome of legislation to revive price controls led to aggressive profit taking and selling and at no time were the distant deliveries above the previous close, final sales being 2 1/8 to 2 5/8 cents lower. July after opening 5 cents higher--the limit for one day--lost the advance and rallied late to gain 5/8 cent net.

Corn futures finished with a rise of 5 cents bid, the limit, with no sales reported. Barley futures were up 5 cents early but reacted and finished with a net gain of 3 cents. Deferred deliveries of rye at Winnipeg closed 1/4 cent up after a range of 10 cents for the day, advancing the permissible limit early only to break a like amount later and then rally shortly before the close.

Demand for cash wheat continues active, but many large mills are reported as purchasing that grain only as they can sell flour for immediate shipment and prices in leading markets showed little change.

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CALLS PRICE CURBS NO RECOVERY SPUR-Washington-An analysis of the inflationary potentials in the United States which saw no possibility of dire consequences from the absence of "both price restraints and price supports" was published today by the Federal Reserve Board in the fourth of a series of studies on postwar economic conditions. The author, was Charles O. Hardy, vice president of the Federal Reserve Bank of Kansas City a well known economist formerly with the Brookings Institution.

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From the New York Wall Street Journal, July 3 -

"REAL PRICES" DROP - "Real prices" of basic foodstuffs dropped yesterday, the second day of price freedom. Many farm products, long scarce except in now defunct black markets, flooded to commodity centers in the largest volume in months.

Nine thousand head of cattle arrived at Chicago, the largest receipts of roasts and steaks on the hoof since early last January. Prices averaged about \$2.50 per hundred-weight above O.P.A. ceiling.

Chicago reported a "glut" of hogs, with truckers lining the streets for three-quarters of a mile, waiting to unload their porkers.

The heavy movement of livestock to consumer channels in the "free" market was considered highly significant in view of the fact that sales are normally small at this time of the year.

Millers who have not been selling flour for weeks because they could not buy wheat at O.P.A. ceiling prices, yesterday began supplying flour to their customers in small volume. Bakers in the New York market bought flour at \$5.17 to \$5.35 per hundredweight, or almost \$4 below black market quotations, the only real market existing just before the O.P.A.'s death.

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THE BETTER BET, Editorial - Not one of the more or less ingenious devices for reviving price control which perplexed senators are feverishly inventing is half as well worth a trial as the return to free markets which began Monday morning. The country is now obliged to gamble. Which offers the best bet: The good sense of producers, distributors and wage workers, or the competence of doctrinaire bureaucrats entrusted with arbitrary power? Everyone knows the answer to that question. Congress knew it when it passed the bill radically curtailing O.P.A.'s authority which the President vetoed.

Congress cannot now pass a substantially different price control law unless it has suddenly become convinced that its position of a week ago was wrong. We are sure the President's veto message worked no such conversion among the law-makers, consisting as it did only of the unsupported assertions which Mr. Chester Bowles has been dinning into the public ear for months past. It is not pleasant to imagine Congress passing a law which a majority of its members believe is useless or pernicious because no other bill will gain the President's signature. Rather than that unhappy spectacle of Congressional abdication, let O.P.A. rest peacefully in its tomb.

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STALEY BEGINS PILOT PLANT FOR CORN, SOYBEAN PRODUCTS, Decatur, Ill. - A.E. Staley Manufacturing Co. announced beginning of construction of a pilot plant in which methods of manufacturing new products from corn and soybeans will be tested. The pilot plant studies follow research laboratory operations.

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From the New York Journal of Commerce, July 3 -

MILLS OFFER FLOUR ON LIMITED SCALE - Some large mills resumed selling of flour on a limited scale for July shipment but the demand was still far in excess of available offerings which were distributed among regular large and small bakers as equitably as possible.

(Turn to page 4 for other items from - - - today's N. Y. Journal of Commerce.)

Farm Digest 1435-46-3

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From The New York Times, July 2 -

KANSAS FARMERS CURIOUS OVER OPA-Hutchinson, Kan.-This correspondent drove around the farms in the great bend of the Arkansas River yesterday and today and discussed current affairs with the farmers. Here, roughly, is a summary of these conversations:

Farmer--Well, young man, what's new Down East?

Reporter--OPA's dead.

Farmer--That's fine. Now we can get more for our wheat and meat.

Reporter--Yes, but the President says you'll probably have to pay more for what you buy. Maybe \$225 more for cars and 13 per cent more for farm machinery.

Farmer--They can't do that to us. Prices are too high already. What we want is price control on what we buy and no price control on what we sell.

Reporter--That's what labor wants: price control on your wheat and no price control on their wages. Same with industrial management: price control on labor's wages and your wheat but no price control on its products.

Farmer--That makes it tough, don't it?

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From The Kansas City Star, June 30 -

NEAR FARM HIGHS-Another record year in agriculture is in the making.

The contributing factors are the weather, an all-out effort of farmers to get their work done despite antiquated machinery and equipment and the scarcity and inefficiency of labor, the increased use of fertilizers and lime, greater attention to the selection of adaptable seed, improved methods of preparation of land, better cultivation of crops and the most modern methods of harvesting.

There has been no change in the normal desire to produce to the limit. There has been no evidence of strikes. There has been remarkable tolerance of the many restrictions and mistakes on the part of government agencies.

The winter wheat crop which is now being harvested exceeds all expectations. Difficulties encountered at seeding time, threats of winter killing, depredation of insects and disease and drought in late winter all have been overbalanced by adequate rains when they were most needed. The quality as well as the yield of wheat is excellent.

This has been almost an ideal year for the production of oats in this territory. The crop was seeded early on an extremely large acreage. It did not suffer from lack of moisture or excessive heat. This year there will be a combination of high yields and high prices which will insure profits to all who have not met with some disaster such as flood or hail.

A 1946 wheat crop of more than 1 billion bushels is estimated.

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From Watertown (N.Y.) Daily Times, June 29 -

COFFEE EXCHANGE TO BE REOPENED-By Ernie Hill-Santos, Brazil-The world's largest coffee export center is looking forward to the reopening, later this year, of its famous exchange where speculators and shippers buy and sell.

In the days before government controls, coffee fortunes were made and lost here in a few frenzied hours. The coffee bolsa is similar to the New York stock exchange and to Chicago's wheat pit.

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From The Memphis Commercial Appeal, June 30 -

FOOD AND FAMINE-Editorial-From one day to another, officials of the UNRRA and global politicians plead with people of the United States to share food with starving Europe or famished Asia. Which is all right. Yet . . .

In Arizona, 1,500,000 pounds of freshly dug potatoes were hauled to the runways of an airport and spread on the asphalt to dry, potatoes that might have nourished hungry people a lot closer than Budapest or Bombay.

In West Tennessee, the air was befouled for two weeks by the stench from some 300 acres of uncut cabbage, fat and solid heads that were bringing \$5 a ton at the loading sheds. The West Tennessee stench took up where the Copiah County, Miss., aroma left off. There, other hundreds of acres of cabbage were cut into slaw with disks and left to rot on the earth.

Now there is a food shortage the world over, but why is beyond the remotest guess of those of us who merely look on.

Irish potatoes, the kind dumped onto a runway on an Arizona desert, are selling for about five cents a pound in Memphis. That makes the market value of the potatoes \$75,000.

When West Tennessee and Mississippi cabbage was bringing \$5 a ton at the packing sheds, cabbage was selling here in the city for seven or eight cents a pound. Take the lower figure, and you get \$140 a ton, a generous spread from the price the farmer' was getting.

If this is part of the economy of scarcity, to boost prices by keeping produce off the market, we deserve to have food shortages, and the sooner our whole civilization collapses the better for the ordered operation of a natural universe wherein such things can't happen except as engineered by blundering human beings. We'd better give it back to the dinosaurs.

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From The Davenport (Ia.) Democrat and Leader, June 30 -

THE PRESIDENT'S VETO-Editorial-President Truman's veto of the ill-devised OPA bill was a courageous act. He stood by his convictions, and was not to be swayed by the selfish interests of any group, or by the political threats of any faction.

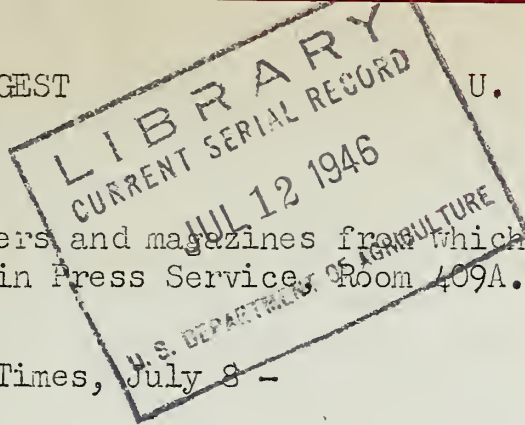
Congress, disregarding the protest of the people, sought to wreck price controls. President Truman is determined that the conspirators who have worked with grim determination for unrestricted profits will not have their way. It is necessary only to be a realist, not a pessimist, to envision the consequences of the decision of Congress to lift price controls on food and other essential commodities. Congress, betraying the American people in order that it might serve vested interests more faithfully, passed a measure which, had it become law, would have been the first step toward disaster. There would have been no barrier to ruinous inflation.

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THERE'S PLENTY OF POULTRY AT CORNER GROCERY-Des Moines, Ia.-(AP)-There will be plenty of poultry available at your corner grocery thru the remainder of this year even the other lines of meat might continue extremely short, Bob Overton of the Iowa crop and livestock reporting service said Saturday.

This would be true, he continued, altho hatchery production for the first five months of this year was about eight per cent lower than for the same period last year. The 81,200,000 chicks hatched in the January thru May period compared with an average of 79,185,000 for the 1940-44 five-year average.

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From the New York Times, July 8 -

NEW OPA CHANGES ASKED BY SENATORS; FIGHT BEGINS TODAY - Washington - Enemies of the Office of Price Administration and even some of its supporters piled up new proposals today to exempt particular commodities from the price controls Administration leaders hope to put back into operation before the week ends.

Senators on both sides of the fight to restore controls made known their intention of seeking exemptions for products ranging from petroleum to cotton seed.

Senator E. H. Moore, Republican, of Oklahoma, bitter OPA opponent, told a reporter he would offer an amendment to keep oil and its products off the list of items on which price ceilings may be revived. Mr. Moore said he hoped to enlist a majority of the Senators as co-authors.

Senator James O. Eastland, Democrat, of Mississippi, who said he wanted OPA extended in modified form, announced that he would propose that cotton seed also be struck from the control list.

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2,300 MEAT STORES REOPENING IN ILLINOIS AS CATTLE AND HOGS POUR INTO STOCKYARDS - Chicago - The 2,300 members of the Food Distributor Association of Illinois were busy today recalling butchers who have been laid off during the meat scarcity and are hopeful that normal business can be resumed, said John J. Tunzer, secretary-manager. Operators of combination meat markets and groceries compose the organization.

A preliminary estimate of tomorrow's receipts at the Chicago Union Stockyards indicated that the run will be around 18,000 cattle and 10,000 hogs. This does not account for animals that may arrive by truck.

"Truck receipts should run about 10,000 hogs and around 15,000 cattle," Mr. Tunzer said. "This indicates that Chicago housewives can expect a great deal more meat within a few days."

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WHEAT PRICES UP BUT DEMAND LAGS - Chicago - Although the demand for cash wheat was not broad last week despite the ending of Office of Price Administration controls, prices advanced 10 to 30 cents a bushel over the old ceiling level at leading markets. This resulted in elimination of black market operations but without large amounts of cash grain changing hands, due to a lack of hedging facilities and fears that if further price control legislation is enacted it would cause prices to be rolled back to the level that prevailed on June 30.

Despite the keen demand for flour, mills bought only sufficient wheat to cover the amount of flour they could produce before price controls could be reimposed, and so far they have been unable to accumulate a material reserve against further requirements.

A shortage of box cars is reported in all sections of the main Grain Belt, and official comment indicates this condition is likely to continue for some time.

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From the New York Times, July 8 (Cont.) -

COTTON DEMANDS EXPECTED TO RISE - Cotton futures on the New York Cotton Exchange gained 57 to 82 points in early dealings last week, reaching the highest levels since the 1923-24 season, but the market turned reactionary and at the close of trading on Friday active futures contracts on the New York Cotton Exchange showed net advances of 1 to 23 points. These moderate gains were in sharp contrast to the advance of 136 to 161 points registered in the preceding period.

The continued upward trend of values at the outset of the week reflected buying stimulated by the President's veto of the new price-control bill and the unexpected sharp advance in the mid-June parity price for cotton.

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CORN CROP IS OFF TO AN EXCELLENT START; 3,500,000,000 BUSHEL, RECORD, POSSIBLE - Chicago - Seldom has a corn crop had such an excellent start as has this year's crop and trade reports suggest the possibility of a yield much in excess of the record harvest of 3,203,000,000 bushels made in 1944. Some estimates on the year's production are as high as 3,500,000,000 bushels. In part this is because farmers are estimated to have planted a much larger acreage than anticipated--around 96,000,000 acres, or about 4,000,000 acres more than last year.

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PRICES OF HOGS DROP AFTER SHARP SPURT - Chicago - Elimination of ceiling prices on hogs, temporarily at least, resulted last week in a material increase in receipts at the stockyards here, and supplies surpassed expectations of the trade. Hogs sold up to \$18.50 on Monday, or \$3.65 above the old ceiling, but the market settled back later and the best price at the close of the week was \$16, due to the large receipts, all of which went into legitimate channels. Housewives are promised much more fresh pork this week at prices below what was asked in the black market prior to June 30.

Production of lard took a sharp upward swing last week, due to the increased supply of hogs, and the output was the largest in many months.

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OATS PRICES DECLINE - Chicago - All deliveries of oats on the Board of Trade here sold last week below the old ceiling price of 88 cents a bushel and at the close yesterday net losses were 1 to 3-5/8 cents, despite the early advance that followed the demise of the Office of Price Administration. Cash oats, which sold as high as \$1.06 in the week, were 5 cents or more under the top at the end of the week, and buyers showed no disposition to purchase grain for distant shipment except on the basis of the July, August or September deliveries.

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GRAIN TRADING IN CHICAGO - Chicago - Although trading in grain futures last week on the Board of Trade was 400 percent larger than in the preceding week as a result of the demise of the Office of Price Administration, it was only about 50 percent of the volume of the corresponding period last year. The reason is that there was no trading in wheat or rye, whereas more than 88,000,000 bushels changed hands in the same week in 1945.

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From the New York Wall Street Journal, July 8 -

30-CENT COTTON - The cotton surplus, that great American white elephant of pre-war years, is dead. And over his grave dance cotton prices up 500% from the 1932 low.

Behind the pachyderm's demise and cotton prices above the 30-cent-a-pound level for the first time in nearly a quarter century lies history's most ravenous consumption of this basic staple.

The Government was saddled with 11.4 million bales in the spring of 1939. At the pre-war use rate that "stockpile" alone was enough to last U.S. mills nearly two years. But by the end of this month heavy home consumption and exports are expected to cut it to below a million bales.

With the ports of a fabric-starved world opened by the war's end, exports, too, are again taking a big bite from American cotton supplies. From a yearly rate of a million to 1.5 million bales in the war years, exports have jumped to an estimated 3.5 million in the current crop season ending July 31.

And a final factor contributing to the passing of the surplus was last year's exceptionally small cotton crop. At 8.8 million bales it was the smallest, with one exception, in half a century and more than three million bales below 1944 production.

The story of how the Government is going out of the cotton business is told graphically by the evaporation of stocks held by the Commodity Credit Corp. After falling from 1939 high of 11.4 million bales, these stocks still totaled 6.3 million bales as late as July 31 last year. But by March of this year they had been slashed to 2.5 million.

Within a few weeks they will be under a million bales, as the U. S. makes substantial exports to Japan. Close to 900,000 bales are expected to go to prostrate Nippon during 1946. The United States plans to recover the value of the cotton following sales of the finished goods by the Japanese.

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MEAT SUPPLIES WILL BE MORE PLENTIFUL, Chicago - Butchers over the nation will have more meat to sell this week, packing industry spokesmen declared after studying the first week of free marketing.

Probably it will be mostly fresh pork, because that can reach the consumer's table in the relatively short time of four or five days after the pig is slaughtered.

Beef, with a period aging required, will take a little longer, packers say.

Hams and bacons, because of the processing involved, will be available in increasing amounts in two to three weeks.

Prices will be higher than O.P.A. ceilings, George Dressler executive secretary of the National Association of Retail Meat Dealers, said, "but they will still be below black market."

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IOWA CROP PROSPECTS, Des Moines - Considering all crops for the state as a whole, the Iowa Department of Agriculture stated, it is doubtful that prospects have ever been better on the first of July. Excellent small grain yields are assured. While corn still has to face July and August weather, the department said it has probably the best start in years. Soybean stands are very good. Wheat harvest is starting in southwest Iowa and yields are reported running from 20 to 35 bushels. Oats are turning fast, and it is probable that binding will start in another week.

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From the New York Journal of Commerce, July 8 -

SELLING TO FARMERS, Editorial - Industries that manufacture for or sell to farmers must take into account the radical changes that have taken place in the size and economic position of the rural population over the past few years. Since 1940, the farm population of the United States has declined by over 5,000,000, or 16 per cent. This loss of population has been accompanied, however, by a marked increase in income and wealth of those that remained on the farm.

The Department of Commerce, in an appraisal of postwar farm markets, concludes that farmers will have more buying power for the immediate future than they had during the prosperous war period. But when pressing food needs abroad have been satisfied, it is expected that deflation will set in, "with the probability that farm income will suffer more than the total national income in poor years and benefit more in food years." For some time to come, however, purchasing by farmers will be bolstered of the addition of more than \$10,000,000,000 to liquid asset holdings of farmers.

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CUBA SEEN HOLDING FOR HIGH '47 PRICE - Domestic sugar interests with Cuban connections are anticipating that Secretary of Agriculture Anderson who leaves tomorrow to resume personally the prolonged negotiations for purchase of the 1946 and 1947 Cuban sugar crops, will not have any great success.

The 1946 crop, which on a gentlemen's agreement is being shipped at a price of 3.67½c, is expected to be signed.

On the 1947 crop, however, Cuba's ideas have changed drastically, particularly since OPA became inoperative. There was a time during the early phase of the present negotiations, which were started just a year ago, that Cuba would have accepted 3.67½c for both the 1946 and 1947 crops.

But Cuba, in the meantime, is becoming dissatisfied with the treatment accorded by the United States. Island producers have had an opportunity to see the type of postwar sugar control legislation which has been proposed in Congress and to their way of thinking it offers them slight reward for their co-operation with the United States during the war years. They are beginning to rebel.

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From the New York Herald Tribune, July 8 -

GERMAN FARMS FEEDING ENTIRE RUSSIAN ZONE, Berlin - Germany's proverbial bread basket--the Soviet-occupied provinces of Thuringia and Saxony--is producing prewar quantities of grain, potatoes and sugar and is exporting large amounts to supply the entire Russian-occupied zone.

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CAPPER ASSAILS O.P.A. VETO, Washington - Senator Arthur Capper, Republican of Kansas, said tonight that President Truman's "hasty and ill-advised" veto of the Office of Price Administration bill has made the whole transition to a peacetime economy "not only more difficult, but also more dangerous."

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From The Salt Lake (Utah) Tribune, June 30 -

PRESIDENT TRUMAN HAS PROPERLY VETOED A FRAUDULENT PRICE CONTROL BILL-Editorial-President Truman has done the proper and courageous thing in vetoing the dishonest and unworkable price control measure passed at the last minute by congress. However, the president must assume some blame for permitting the issue to coast along until the eleventh hour, thus making it possible for congress price control foes to almost outmaneuver him. Contrary to some observers' statements, the makeshift measure passed by congress was not "better than no control at all."

The bill, as it reached the executive, was a hodge-podge of regulations formulated to appease pressure groups and to hog-tie any agency attempting enforcement of actual price controls. It was a deliberate fraud and an obvious attempt on the part of congressmen to escape responsibility for scrapping the whole price control program while they were secretly strangling it. It was designed to tie the hands of OPA and work hardships on the buying public without increasing production.

The trouble with price control legislation is that no agreement can be reached on whose prices are to be controlled. Almost everyone is willing to pay some sort of lip service to the general principle of this wartime curb on soaring prices and inflation. But to ask for an expression of opinion on which prices should be controlled and which ones should be set free is a signal for pandemonium.

The farmer is willing to keep ceilings on the prices of automobiles, agricultural machinery and building materials. The builder and his employes agree that food costs should be kept down. The manufacturer sees "some sense" in regulating prices on raw materials and so on, up and down the lines.

At any rate, price control, as a principle, finds many friends, but no unanimity on how it should be administered.

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From The Boston Christian Science Monitor, July 1 -

UNITE AGAINST INFLATION-Editorial-The American people face an emergency. They will have to take up for themselves the fight against inflation, both by demanding more effective action from their Government and by their own self-restraint to prevent a buying panic.

As between Congress and the President there is plenty of blame to go around. Congress, by dillydallying for six months, by trying to please producers' lobbies, and by pretending that it was defending the consumer while actually legislating price increases, has failed in its duty. The President, by encouraging wage inflation and by not requiring a wiser administration of OPA, has weakened the defenses against inflation.

But it would be a mistake at this moment to spend much time on detailed assessment of the blame. Congress and President have also both had good reasons for their actions. Despite differences about methods, both sense the need for getting production. Neither apparently wishes to take responsibility for complete removal of price controls. And if both are sincerely opposed to inflation, they should find enough common ground to agree on new legislation.

It seems to us that the President's view of the bill Congress sent him is very persuasive. If the effects of the Taft amendment would be as he describes --and there is good reasoning behind his estimates--Congress should be willing to do something better.

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From The Milwaukee Journal, July 1 -

THE OPA CRISIS-Editorial-This nation is today in the throes of great confusion and uncertainty. The sudden lapse of all price and wage controls at midnight June 30 has left the people without any economic moorings as set up by law, at one of the most critical moments in our recovery from the inevitable dislocations of war.

Today, with OPA gone, almost anything can happen. Depending on the temper of business, labor and consumer, and the reaction of congress to that temper, we can sink into hopeless inflation or we can avoid the more serious pitfalls in the present period of utter lack of governmental restraints.

We all share the blame for what has come. The OPA invited its own downfall when, after V-J day, it refused to face realistically the new problem of fostering a maximum rise in production under a modified price control policy. The congress cannot escape responsibility for the interminable delay in arriving at a new formula; there was no excuse for its dumping of so controversial a measure into the president's lap only a few hours before the OPA was scheduled to expire.

The president's veto of the measure seemed sincere. Right or wrong, he feared that the modified law would be as bad as no law at all. The president cannot be fairly blamed for his veto, but he can be blamed for yielding so quickly and so completely, after V-J day, to labor's demands for higher wages and for not noting and pointing out the lack of realism in the postwar OPA. The roots of the crisis which burst upon us Monday morning lie far back in the faulty planning of the early months of our readjustment.

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From The New Orleans Times-Picayune, July 1 -

PRICE CONTROL DEMISE-Editorial-Out of violent disagreement between president and Congress comes the abrupt end of price control and the demise of the OPA. Whatever the ultimate consequence the lapse of the stabilization program should have a sobering effect on the country and particularly on enterprise and labor, whose responsibility it is to produce and distribute living necessities. Only by honest effort and the exercise of restraint may the country expect to avoid that excessive inflation and hardship which has been connected in the public mind with the expiration of price controls.

President Truman shouldered the final responsibility for killing the OPA by vetoing the only kind of bill that, Congress leaders had warned him, could be passed. But the blame for the turn of events does not rest on him alone. What Congress offered was a hard-to-enforce anti-profiteering bill, not a stabilization measure.

While Congress failed by a long way to pass the best bill possible, it had to work in an unfavorable atmosphere created last year, when the administration itself breached the stabilization program by its concept of increasing wages without upping prices.

Except for the resultant turmoil and work stoppages, it is improbable that any necessity for general extension of price controls would have arisen.

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From St. Louis Post-Dispatch, June 30 -

FATEFUL CHOICE FOR CONGRESS-Editorial-Mr. Truman did a very courageous thing in vetoing the hodgepodge and cowardly OPA bill. This bill, as passed by Congress attempted to be all things to all men. Congress stultified itself. Mr. Bowles, in resigning from a job which the bill had made impossible, justified the high opinion in which he has been held by the county. Farm Digest 1455-46-6

(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From the New York Times, July 9 -

MEAT EXEMPTION PUSHED AS SENATE RENEWS OPA FIGHT - Washington - The Senate started a showdown fight today on a bill to bring back the OPA, and its first skirmish was centered on an attempt to prevent the re-establishment of price controls on livestock, poultry and eggs and their products.

But with cattle and hog prices breaking at some points because of the mass movement of livestock to the markets, with OPA out of business, the new Congressional fight was concentrated on meat.

Sponsors of the livestock-poultry-egg amendment appeared to be gathering formidable strength for a voting test, which possibly will come tomorrow. Leaders declined to predict the outcome.

Senator Alben W. Barkley, the Majority Leader, who gave examples of price rises in a week without OPA, urged that Congress and President Truman get together; that is, that Congress pass a bill which the Chief Executive would not veto.

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MILK PRICES RISE 2 CENTS; CITY MEAT SUPPLY LARGER - The wholesale price on all milk coming into New York from its six-State milk shed was increased at midnight by about two cents a quart, and residents of this metropolitan area will begin today to pay the added cost in stores and for milk delivered at their doors.

Some companies may not pass the increase on to consumers until tomorrow morning, a spokesman for local distributors said last night. The increase and a similar one that went into effect yesterday throughout New Jersey bring milk prices in this part of the country into line with those in other sections where the loss of Federal subsidies to producers had earlier caused a rise in wholesale and retail prices.

In Washington Acting Secretary N. E. Dodd of the Department of Agriculture appealed last night to milk producers and handlers in the New York metropolitan milkshed to refrain from putting the price rise into effect until the question of re-establishing price controls has been settled in Congress.

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RENT AND PRICE CONTROL - Editorial - In connection with rents and prices, the responsibility of Congress is now to pass a bill which will accomplish three purposes at once: (1) end the present state of uncertainty, which paralyzes business decisions, at the earliest possible moment; (2) restore controls on commodities where such controls are still needed, and (3) assure as rapid and orderly a decontrol as possible, so that the productive energies of a free economy can be released.

Congress should recognize the profound change brought about not only by the ten months that have elapsed since the end of the war but by the existing "price holiday." It would now be both difficult and unwise to attempt to restore blanket price control. The most that is really required from now on is selective price control. This means that the burden of proof should now be changed. Instead of the new measure's providing that upon its enactment any commodity not specifically exempted from control shall be considered under price control at its old ceiling, the assumption should be that any commodity not specifically listed and specifically priced by OPA after the enactment of the new measure is to continue free from control.

From the New York Times, July 9 (Cont.) -

SEE MECHANIZATION COTTON-SOUTH BOON - Hershey, Pa., - Mechanization of cotton production will have a deep influence on economic and social conditions in the South it was forecast today at the opening of a five-day national textile seminar sponsored by the Philadelphia Textile Institute.

The need for trained leaders to head the new "agrarian revolution" in Southern cotton production also was stressed.

Hugh M. Comer, president of Avondale Mills, Avondale, Ala., and Francis L. Gerdes, senior cotton technologist for the Department of Agriculture and director of the United States Cotton Experimentation Station at Stovesville, Miss., led the discussion on post-war developments in cotton.

"The man with the hoe is a drain," Mr. Comer asserted, as he predicted that the mechanization of cotton farming would result in improved economic conditions for all Southern residents.

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COTTON RISE HALTS SALES OF TEXTILES - Planning to resume their selling operations yesterday to forestall a crisis in cotton textile supplies which threatens to tie up apparel manufacturing, downtown cotton goods houses were forced to beat a hasty retreat when they learned of the bullish movement in raw cotton resulting from the Government's acreage report which shot the price up the single day's maximum of \$5 per bale.

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TRADING IN FOODS IS ALMOST HALTED - Trading between manufacturers and wholesalers in the dry grocery field is now practically at a stand-still, pending Congressional action on price regulations, it was learned yesterday.

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AIDS VETERANS ON SUGAR - Washington - The OPA today eased sugar rationing provisions covering veterans who are seeking to re-establish themselves in their pre-war business.

Beginning Friday, the agency announced that veterans who left their businesses to enter the armed forces will have the same industrial, or institutional, sugar ration base as if they has remained in business. This means they will be eligible for a certain percentage of the sugar they used in 1941, the specific amount depending upon the use they make of the commodity.

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LOW BREAD RATION CONTINUES IN GREECE - Washington - The same substandard wheat ration of eight ounces a day will obtain in Greece in July as in June, F. H. LaGuardia, Director General of the United Nations Relief and Rehabilitation Administration, complained today.

"The Greek ration amounts to half a loaf of bread a day," he said. "UNRRA will be able to supply per person for the entire month one pound of meat or meat stew or one and three-fourths pounds of fish. A small amount of dried peas and an 800-ton shipment of beet sugar from Czechoslovakia will also be distributed."

* * *

From the New York Journal of Commerce, July 9 -

COTTON FUTURES CLOSE AT LIMITS AS SHORT CROP IS PREDICTED - Cotton futures skyrocketed the limit of 100 points in all positions in both the new and the old crop in an active session on the New York Cotton Exchange yesterday. At closing bids at the limit met no offers although prices were at highs for the day.

Deliveries in the 1947-48 season also rose sharply, as much as much as \$4.40 a bale. Prices cut through the 32c level for the first time since the 1923-24 season. Profit taking at the top of the rise was moderate, indicating that further advances were expected when the market opens today.

The short supply of cotton indicated throughout the forthcoming season was the major factor in the rise. Informed sources have foreseen domestic consumption in the next twelve months as approaching 10,000,000 bales, or more. Prospective exports of the staple have reached estimates as high as 4,000,000 bales.

The factor of short supply was crystallized in the Department of Agriculture's acreage estimate issued at 11 A.M. yesterday. Following the release of the figures, prices steadied and began moving upward until the close.

The Government's official report states that 18,316,000 acres were planted to cotton on July 1. This is an increase of 567,000 acres, or 3.2 per cent, over the plantings in the 1945-46 season, a record low. The new acreage, however, is 28 per cent below the ten-year average of 25,608,000 acres for the seasons 1935-44.

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CORN PACES DROP IN GRAIN FUTURES - All Chicago grain futures sold off sharply yesterday with liquidation stemming from reports of weakness in cash markets, which reflected fears of price rollbacks, and continued excellent crop advices.

Trading in corn was moderate although on a larger scale than Saturday, but oats continued to attract most of the interest as they offered the greatest trading opportunities even if controls are reinstated due to the approaching new crop movement and the prospect of hedge selling.

A Government crop report will be released after the close of the market on Wednesday and it was generally expected that very large wheat, corn and oats crops will be indicated, possibly the largest on record.

Weather conditions were ideal for crop development generally. The oats harvest was extending, aided by warmth and sunshine which encouraged the belief that previous estimates of the harvest of that grain will be substantially exceeded by the Government compilation. Corn must still pass through the critical growing period with the harvest about three months away but conditions at the present time have seldom been equalled.

Traders were closely watching the heavy movement of livestock to markets which was viewed as a potentially bearish factor in grains through a reduction in feeding requirements.

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MARKET FOR BUTTER MORE STABILIZED - Market now stabilizing in better shape with the re-entry into free and open trading. Buying on the New York Mercantile Exchange much less brisk, with considerable untaken offerings of 92 score at the close at the market price of 71½c. Retail prices have moved up in most chain stores to 77c to 80c range, necessarily reflecting the rise in wholesale costs, while the independent retailers are generally now charging 80c to 85c, some higher.

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From the New York Wall Street Journal, July 9 -

PRICE-FREE TRADING has pounded the huge meat black market to its knees. A tidal wave of over 308,000 hogs rolled into Midwestern markets in the first O.P.A.-less week. It was the biggest pork flood in 12 years—since the forced pig-slaughtering under A.A.A. in 1934. The total was nearly three times as big as the 108,000 hogs marketed during the last week of O.P.A. It compared with 165,000 a year earlier.

Live cattle were about four cents a pound over the old ceiling. But before the O.P.A. fade-out black market cattle prices were reflected in dressed beef sales nearly 30 cents a pound above "legal" levels.

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COTTON SHORTAGE ahead is signaled by small plantings. The official estimate of 18.3 million acres issued yesterday compared with private expectations of some 19.5 million. With per-acre yields comparable to last year's this season's plantings could mean a crop of as low as 9.5 million bales. This, following last year's 9-million-bales production, would put two extremely small crops together in a time of record consumption. A normal U. S. crop (10-year-average) is nearly 12.5 million bales.

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GRAIN EXPORTS will continue heavy despite higher wheat prices. While foreign demand for meat and dairy products may fall off sharply as prices increase, Government experts guess that wheat prices can rise as much as a dollar a bushel above the old ceiling before other nations start canceling orders. Countries cutting back their buying of more expensive items such as meat and cheese may even increase their orders for wheat to counterbalance this loss.

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SUGAR IS SOURING Government dispositions in Washington these days. With the end of price controls, Cuban sugar representatives cooled to U. S. proposals that they sell the 1946 crop to this country at \$3.675 per hundred pounds.

What gives U. S. officials the jitters is the possibility that Cuba may now kick over the traces and start selling sugar to private buyers at the highest price she can get for it. Government experts predict that, should this happen, the price of raw sugar might go to \$10 per hundred pounds or even higher. Agriculture Secretary Anderson's trip to Cuba this week emphasizes how deeply officials are disturbed.

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FOREIGN VIEWS OF O.P.A., Editorial - Britons, so the foreign correspondents tell us, gravely fear that a sudden end of price control in the United States would upset the economic applecart everywhere, while Swiss bankers opine that a higher American price level would ease existing tensions throughout the world. How are we in foreign meters cannot agree? Surely they cannot expect us to throw the world's business affairs into confusion and ease its tensions at one and the same time?

We have no taste for price inflation or dollar depreciation. The short experience this country has had of freedom from price control gives no indication that our prices, uncontrolled, are to outrun costs plus those fair profits which are the lifeblood of our economic system. We think the Swiss bankers are nearer an understanding of the true import of our fight to get rid of O.P.A. than are the fearful Britons.

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From Chicago Journal of Commerce, July 6 -

OPA LEGALLY DEAD BUT VERY MUCH ALIVE AS BUSINESS HANDICAP-By Wilbur J. Brons-
At this writing, no one can say whether OPA is dead or alive. Price control no longer exists legally, but it may regain legal status at any hour. Meanwhile the propaganda boys are beaver-busy--plugging for resurrection day. Popular demand for price control, they say, has reached the proportions of a mountain-sized mandate to Congress.

Widespread clamor was a "natural." Mr. Bowles and Mr. Porter used their mimeographs, microphones and the "liberal" press so assiduously for more than a year that no other result was possible. Mr. Truman contributed his bit in his veto message and in his subsequent radio talk. He did his best to misrepresent the purpose of the Taft amendment, and scuttled his pet project on the basis of that misrepresentation.

As matters stand at this moment, we have neither price control nor free markets. No one knows whether price ceilings will be reimposed, or at what levels. Even if OPA revival is not made retroactive, buyers and middlemen cannot know where they stand. If they pay more for goods than last week's ceilings, will they be able next week or later to sell for more than their own ceilings of last week?

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From Watertown (N.Y.) Daily Times, July 2 -

NO MILK SUBSIDIES-Editorial-Those persons and organizations that have opposed the milk subsidy will now see their objective attained. The discontinuance of OPA carries with it the abandonment of subsidies. Farmers of Northern New York who expected to receive upwards of \$6,000,000 in milk subsidy checks will now suffer heavily. They will not have their incomes augmented by government allowances. There will be an immediate discontinuance of the assistance. The organizations that have so strongly advocated lifting of the subsidies will now have an opportunity to see just what effect their policy has on the milk producers.

Unless the subsidies are restored, the price of milk to the consumer will be increase from two to three cents a quart, possibly more. How how much of this increase will the producer receive? We predict that it will be small. The organizations, dealer controlled or dealer influenced, have been viewing the whole matter, unconsciously or otherwise, from the standpoint of the dealer rather than that of the producer.

The farmer milk producers are in a regrettable situation. With high costs of food and labor costs the highest in years they find themselves without subsidy assistance, and at a time when they need the money more than at any time since the payments were first declared.

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From The New Orleans Times-Picayune, July 2 -

FARM EDUCATION PLAN IS CHANGED-State College, Miss. (AP)-Mississippi State college today effected a complete reorganization of all phases of agricultural education, with the entire program under the direction of Dr. Clarence Dorman, director of the school's agricultural experiment station.

Under the new setup the three divisions of agricultural work -- the experiment station, extension service and classwork -- will be integrated into one over department.

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From St. Paul Pioneer Press, July 2 -

THE CHOICE OF COURSES-Editorial-OPA Director Paul Porter optimistically predicts an early return to price control as of last Saturday. Some House Republicans want to restore ceilings on rent alone. The Republican national chairman wants ceilings on rents and scarce goods.

Actually there is a choice of one of two courses. There is no unscrambling the OPA egg now. A new situation exists and it must be met as such.

The choice lies between adopting a new system of price control or abandoning price control for good.

The lesson of the past year is that to succeed, price control has to go right down the line of all prices and costs. Price control on only some articles is inequitable and unworkable. Since last August, an attempt was made to control prices without controlling wages. That fatal error had forced OPA into a retreat which was becoming headlong when the act expired on Sunday. In the meantime production was hampered and in some cases blocked.

If we are to resume price control it must be on a comprehensive basis and so perfectly adjusted that production can move smoothly all along the line. This means reimposition of wage control. There is no point or resuming the impossible experiment that was heading for collapse when it died a violent death at the hands of President Truman.

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From The Milwaukee Journal, July 2 -

HOW TO HANDLE PRICE SITUATION-Editorial-By and large, business has reacted wisely to the absence of price controls. When OPA died, a few landlords lost their heads and a few merchants seized the opportunity to raise prices. The great majority, however, have not abused their freedom from restraints.

Many organizations in many fields have counseled their members not to take advantage of the situation but to remember their own responsibility. An excellent example is the Milwaukee Association of Commerce, which has asked all retailers to keep prices as they are on all goods now in stock, to make new goods at the lowest possible prices to yield a reasonable profit, and to continue to make all goods on hand available to all consumers.

These organizations know, and apparently most of their members agree, that price gouging at this time would have a decidedly bad effect on buyers--an effect which it might take years to erase; and a still worse effect on the national economy.

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From The Memphis Commercial Appeal, July 2 -

MIDSOUTHERNERS REALISTIC-Editorial-Of all the MidSouth's members of the House who were recorded as present and voting, all but one voted to override President Truman's veto of the OPA compromise bill. In making this decision the MidSoutherners were realistic, and their stand was not taken without careful study and consideration. They certainly did not think the bill a good one, but The Commercial Appeal agrees with them that it was the best measure possible, and far better than the current state of complete uncertainty and confusion. The MidSouth's representatives, with the one exception mentioned, understood that they were faced with a condition and not a theory, and they behaved themselves accordingly. They chose to make the best of a bad bargain for the furtherance and protection of the public welfare.

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(The newspapers and magazines from which these agriculture items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From The New York Times, July 10 -

SENATE VOTES TO KEEP MEAT, POULTRY AND EGGS EXEMPT IN NEW PRICE CONTROL BILL - Washington - The Senate voted, 49 to 26, today to exempt meat, poultry and eggs from price control.

With eighteen Democrats joining a solid front of Republicans to pass that amendment to the bill to revive the Office of Price Administration, the Majority leader, Alben W. Barkley of Kentucky, admitted that the coalition's strength was sufficient to obtain approval of a companion proposal which would exempt milk and dairy products.

Mr. Barkley was pessimistic also over the prospects of keeping tobacco, petroleum and other items from receiving similar treatment.

The meat and poultry amendment, which was offered by Senator Kenneth S. Wherry, Republican of Nebraska, was adopted despite a strenuous plea by Senator Barkley for its rejection. Directing his remarks largely to the Democrats, the Majority leader urged the Senate to pass a bill "without substantial mutilation," so that the President would sign it.

He told reporters after today's vote, however, that he reserved the right to recommend a veto if the "mutilation" went too far.

Adoption of the Wherry amendment, which applies to livestock, poultry, eggs and their food and feed products, followed, rejection by a 51-25 vote of a broader amendment introduced by Senator Elmer Thomas, Democrat of Oklahoma. His proposal would have covered all raw materials obtained from live stock, poultry and eggs, such as wool and hides.

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BUYERS' STRIKE WILL BEGIN JULY 23 in 5 CENTERS HERE - A buyers' strike, expected to spread to other parts of the country, will begin on July 23 with demonstrations in the five busiest shopping centers of this city, regardless of whether Congress reinstates some price controls.

The New York City Consumer Council, which embraces sixty-five civic, labor and social welfare organizations with a claimed membership of 250,000 here, and five other groups of national scope, announced yesterday that they would go ahead with the consumers' strike to force down soaring prices of food, clothing and other goods.

The council's assertion that inflationary prices had followed the lapse of Federal price controls on June 30 was supported by the OPA Consumer Advisory Committee, which made public yesterday afternoon scores of prices, verified by shoppers, to challenge the statements in some quarters that trade and industry were holding the line on prices despite the end of Office of Price Administration ceilings.

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CALLS HOUSEWIVES BEST PRICE POLICE - Cleveland - Robert R. Wason, president of the National Association of Manufacturers, said today that housewives would be serving the best interests of the country during the next few months if they "temper their buying to their needs."

(Turn to page 2 for more items from today's
N. Y. Times.)

From the New York Times, July 10 -

FLOW OF LIVESTOCK CONTINUES HEAVY - Chicago - Livestock continued to pour into the country's leading stockyards today, but at a lower rate than yesterday's heavy flow.

Live prices generally were higher. The retail price situation, however, remained confused. George Dressler, executive secretary of the National Association of Retail Meat Dealers, declared that it would be two or three weeks before adjustments could be completed and base prices established. Meanwhile, prices were higher in some markets than in others, he said, and prices in some places were unchanged.

P. O. Wilson, secretary-manager of the National Livestock Producers Association, declared that black-market operators have bid livestock prices up since removal of controls "in order to influence a public demand for continuation of OPA.

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PRICE RISE CALLED FAMINE AID PERIL - Washington - If commodity prices get out of hand on the upside it will be just that much more difficult to find a way to feed hungry peoples abroad, D. A. Fitzgerald, Secretary General of the International Emergency Food Council, said today in his first public address in that position. He spoke at an inter-departmental meeting here, and his remarks were broadcast over the Mutual System.

The food crisis was far from ended, he warned, saying that this country bears "a very heavy responsibility."

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FARM ACCIDENTS - Editorial - The toll of death and injuries from accidents in the nation is a staggering figure. It is an indictment of human carelessness and a challenge to all citizens to help reduce the casualty list. The week of July 21-27 has been designated National Farm Safety Week by President Truman, who said in his proclamation that "farm accidents rob the nation of thousands of lives and millions of dollars worth of food and other property each year."

The National Safety Council statistics show that some 15,000 people lose their lives in farm accidents annually and approximately 1,500,000 are injured in mishaps. It is estimated that there are 8,100,000 farm workers in the nation; with a death rate of 53 to 100,000, this puts agriculture fourth in the death rates of the six major industrial groups. In addition, farm fires cause an annual loss of about \$100,000,000 or 20 percent of the national annual fire loss.

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GRAIN FUTURES UP AS SHORTS COVER - Chicago - Short covering induced by continued strength in cotton, evening-up operations prior to a vote in the Senate on the Taft and Wherry amendments to the measure extending the Office of Price Administration, and relative strength in the cash markets resulted in higher prices on grain futures on the Board of Trade today. Oats were up 2 cents a bushel at one time, but eased on profit-taking, closing 5/8 cent to 1-1/8 cents higher. Corn gained 1/2 to 5/8 cent and barley was 1/2 to 1 cent higher. Winnipeg rye futures closed 5 cents, the limit, lower for the third day straight.

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From the New York Wall Street Journal, July 10 -

COTTON CONGRESS STUDIES LOST FOREIGN MARKETS, Dallas - More than 300 of cotton's minions--exporters, producers, ginner, compressmen, economists, plant breeders--gathered here during the past two days of the seventh annual Cotton Research Congress. They explored possibilities of restoring lost markets, and of employing science and technology in raising cotton and in expanding its consumer uses.

Speakers at the Cotton Research Congress declared, however, that America will probably be able to recover a substantial part of its lost foreign cotton markets in the next few years.

Many of King Cotton's peers believe a come-back is possible if the realm is completely mechanized. They assert that it takes 235 man-hours to produce a bale of cotton in the old-fashioned, one-mule method, while only 50 hours are required when tractors, four-row implements and mechanical pickers are utilized.

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MILL FEED PRICES HIGHER - Mill feed prices are sharply above former O.P.A. ceilings. The higher quotations, however, are not deterring buyers, who state that present quotations are not too high when they consider old black market prices and tie-in sales.

Bran is selling in the New York market at \$80.50 a ton, which compares with the recent ceiling of \$55.76 a ton. At Kansas City bran is bringing \$70 to \$71 a ton. The freight rate on this commodity to the New York market is \$9 a ton. The price basis, Buffalo, for spot shipment amounts to about \$76.48 a ton.

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NEW YORK BUTTER SUPPLY IMPROVING - High quality butter in the New York wholesale market was priced yesterday between 71½ and 73 cents a pound. The supply position is improving steadily as increased shipments arrive from the West.

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From the New York Journal of Commerce, July 10 -

WHY MEAT PRICE CEILINGS?-Editorial - To maintain meat price control pending increased output of other consumer goods would be a dubious step. The extent to which purchasing power is actually diverted to buying meat because other articles of consumption are not available is doubtful, and cannot be measured at best.

Insistence by Administration forces that price controls shall be continued for meats has been based upon two considerations, neither of a basic economic character. First, as Senator Barkley admitted yesterday, termination of meat price control would constitute a precedent for granting specific exemptions to other products. Secondly, meat enters materially into cost-of-living indices, and a rise in these indices may precipitate a new wave of wage increase demands, it is feared.

Expediency, rather than fundamental economic considerations, thus motivates the demand for continuation of meat price control. Production of meat is now about as large as it is likely to be. Shortages will be ended not by larger output, but when prices reach a level at which the demand for meat will be equaled with the supply, and distribution is no longer distorted because price ceilings divert a large part of the production into black market channels.

(Turn to page 4 for other items from today's N.Y. Journal of Commerce,)

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Farm Digest 1485-46-3

From the New York Journal of Commerce, July 10 (Cont.) -

COTTON TOPS 33c ON WEEVIL LENANCE - Prices broke through 33c for the first time in 23 years in an active session on the New York Cotton Exchange yesterday.

Market sentiment was spurred by the expectations of another short crop in cotton in the new season. Not only was the official acreage estimate of 18,316,000 acres planted on July 1 taken into account, but the serious weevil menace appeared to threaten low yields per acre.

Analysts predicted that between 9,158,000 and 11,000,000 bales were the most that could be expected to be harvested in 1946-47. The lesser figure was based on the yield of 251 pounds per acre produced last year when the weevil menace was not as widespread nor as heavy.

Another major factor in the market was the development of new outside interests supporting cotton. In part, these interests were attracted by the upswing in prices following the unexpectedly low acreage estimate. Opinion on the floor, however, considered the development a result of the low margins put into effect early last week. With only \$20 margin per bale required under exchange by-laws, new risk-capital was expected, on both sides of the market. The tendency apparently was weighed on the support side.

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COTTON VS. RAYON FOR TIRE CORD DISCUSSED - The cost-quality relationship between rayon and cotton tire cord yarn at present is such that the natural fiber can offer no competition even for light passenger cars, H. Gordon Smith, vice president of United States Rubber Co., stated here today at the second day's session of the national textile seminar being conducted under the sponsorship of the Philadelphia Textile Institute.

Mr. Smith stated that at the present price of 43c a pound for high tenacity yarn, equivalent to 56c a pound for rayon cord, the cost is comparable to or under that for 12./4/2 passenger car cotton cord. Since the amount of rubber used with rayon cord is substantially less than with cotton, there is no economical justification at present price in using cotton, even in passenger cars, he stated. However, it will continue to be used while the supply of high tenacity yarn is so short of demand, he said....He stated that the 1946 rubber program of 66,000,000 tires would require 400,000,000 pounds of rayon yarn, against present output at the rate of 200,000,000 pounds. An encouraging note for cotton was sounded by Mr. Smith.....He stated that the rayon companies were not at all satisfied with the profits they were making on their tire yarn business and had indicated that they might want assurance of a better price before expanding production facilities to accommodate the full needs of the rubber industry.

At present, the relationship between rayon and cotton in tire cords is approximately 50-50, said Mr. Smith, with cotton going into the light passenger car tires and rayon into bus, truck and heavy passenger car rubber.

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PACKINGHOUSE MEN REOPEN CONTRACTS, Chicago - Ralph Helstein, international president of the CIO United Packinghouse Workers of America, said today the union was serving notice today upon five major meat packing concerns of its intention to reopen contracts for renegotiations.

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From Watertown (N.Y.) Daily Times, July 5 -

MILK PRICES-Editorial-The ceilings are off on milk prices, at least temporarily. As they go off also the subsidy to the farmer is removed. Milk prices to the retailer go up. It is not clear just what the increase will be although probably two and three cents a quart. Nor is it clear how much of this increase the farmers will receive. Indications are that it will be just a shade over half of the three cents if the increase is three cents. The rest will go to the dealers. The amount which the farmer receives in an increase will not equal the amount of the subsidy which he loses.

The development in the milk price situation verifies that which has been feared all along: The dealer and dealer organizations and pseudo-cooperatives have been clamoring for an elimination of the subsidy and a raising of ceilings in order that the dealer may get more of the consumer's dollar. The suspicion as to the underlying motives seems to be fully verified now. The dealer has a purpose always.

More than ever is it desirable and necessary for the state of New York to throw the bright light of publicity on the spread between the price the consumer pays and that which the producer receives. Why all this battle before the state investigating committee to make it appear that the producer wants no study of the spread. Of course he wants a study of the spread. The desirability of such a study is more than ever emphasized by this latest development by which ceiling prices are removed and retail prices are increased. Just where does that money go? Who gets it? How much does he get? Governor Dewey and Albany will do well to press the point more insistently than ever now.

The last week, has again emphasized the pattern of policy of the milk dealers: They want ceilings removed so milk prices to the retailers can go up unrestrained and their cut in turn will be larger.

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From The Boston Christian Science Monitor, July 5 -

ONE SURE AID--Production-Editorial-Uncertainties -- both political and economic -- are aggravating the price crisis. The bill the Senate is shaping up is better than the one the President vetoed, but nobody knows when it will pass or what its affect may be. Voluntary hold-the-line efforts are being breached on nearly every side by price gougers. At the same time there are indications that the rush to market of goods that had been held up will check some of the wilder price sprees and that more buyers will "strike" against profiteering.

The United States faces a period in which the favorite word of statisticians, "average," is not going to mean much. In lines where high prices will bring out new supplies quickly, or where there is no big backlog of demand, the spurt may be short-lived. But there are so many lines where demand cannot be satisfied for many months at any price that some prices will be "on the elevator" a long time. And a new spiral of wage-price boosts is threatened.

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From St. Paul Pioneer Press, July 4 -

GENUINE BUYERS' STRIKES-Editorial-If the New York City Consumer council really expects to launch an immediate nationwide buyers' strike with its new slogan, "Don't buy anything you can do without," it is probably headed for an early disappointment. Consumers in the mass simply do not quit buying until they are broke. The organized buyers' strikes after World War I did not begin in 1919, when prices were out of sight, but in 1921, by which time wage losses had made such action imperative for the average family.

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From St. Paul Pioneer Press, July 6 -

PRICE BOOST BLUES-By Smauel Grafton-Los Angeles-The enemies of price control are discovering the people of America. That is the story of these first few days in July. Much loud talk in favor of price increases has died down since the week-end. Some of the same trade associations which, a week ago, were boldly demanding price boosts, are nervously advising their members to hold the price line.

Price increases, suddenly, have ceased to be good, clean fun; and the newspapers are heavy with interviews with people who promise to try and keep prices down. Part of this talk, at least, is pious cant, for the Bureau of Labor Statistics index of the cost of living shot up almost 8 points on Monday, and the sign-painters of Los Angeles are swamped with work, revising pricecards, upward. But the fact remains that those who want price increases have, in less than a week, gone on the defensive.

That is the first political victory Mr. Truman has won by his courageous veto of the ersatz price control bill; and he will win others.

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The Davenport (Ia.) Democrat and Leader, July 7 -

ONLY \$50,000 OF \$896,000 FUND USED TO PURCHASE FARMS IN IOWA UNDER FSA-Des Moines, Ia.-(AP)-Only \$50,000 of the \$896,000 allotted for tenant farm purchases in Iowa in the fiscal year which ended June 30 was spent because farm land prices are too high, H. L. Young, state director of the farm security administration, said Saturday.

"Present prices generally are from 25 to 40 per cent too high for a tenant to pay out under the federal Bankhead-Jones act," he continued. "Only five farms were purchased in Iowa in the last fiscal year under the program. Two of those were purchased by World War II veterans."

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From The Michigan Farmer, July 6 -

WE MUST SAVE FOOD-Editorial-USDA says that July 15 to 22 is National Home Food Preservation Week. To the busy farm housewife this may not mean very much -- as she struggles to spread a short supply of sugar over a normal canning and food saving program. But it will help focus the attention of city people on the need to save every pound of food we possible can.

The world is hungry. All the food we produce this year can be used to save lives -- and to build good will for this country. Intense home food preservation not only will increase supplies for American families, but it will also help release those foods that are particularly adapted for shipment to the famine areas abroad.

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SCHOOL LUNCH PROGRAM-Editorial-The school lunch program is no longer on a year-to-year basis. One of the outstanding accomplishments of the current Congress is the passing of a law making it a regular item of federal expense. States now share in the cost of operation.

Created largely to help use up surpluses of farm products, this has developed into a program that fosters and encourages better and more balanced feeding of growing children. It will broaden the market for farm products. It will make a healthier nation.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From the New York Times, July 11 -

SENATE EXEMPTS MILK FROM OPA CONTROL; COTTONSEED, SOYBEANS ALSO FREED, BUT SIMILAR PROPOSAL FOR GRAIN IS DEFEATED - Washington - By substantial majorities, the Senate voted today to exempt milk, cottonseed, soybeans, petroleum and their products from price control, but balked at a proposal to give similar treatment to grain and its products.

After going into a night session in an attempt to speed final action on the bill to revive the Office of Price Administration, the Senate recessed soon before 8:30 p.m., (E. S. T.) when the majority leader, Alben W. Barkley of Kentucky, failed to obtain agreement to curtail debate.

Senator W. Lee O'Daniel, Democrat, of Texas, who has promised to talk against the bill "as long as God gives me breath," objected to Mr. Barkley's request for unanimous consent to limit further debate to one hour a Senator on the bill and each amendment.

Today's actions expanded the exemption list, which was started yesterday when the Senate voted to free meat, poultry and eggs from price control, should the pending measure become law.

The amendment by Senator Kenneth S. Therry, Republican, of Nebraska, to exempt milk and its food and feed products, including butter and cheese, was adopted 51 to 27.

The amendment to exempt cottonseed, soy beans and their products, including butter and lard substitutes, was offered by Senator James O. Eastland, Democrat, of Mississippi, and was adopted 42 to 34.

The Administration rallied 40 votes against the opposition's 32 to defeat the amendment by Senator Clyde M. Reed, Republican, of Kansas, to free grain "and products processed or manufactured in whole or substantial part therefrom" from price control."

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MEAT PRICES SOAR TO RECORD LEVELS; COTTON AND WHEAT GO UP - Prices in the nation's livestock and wholesale food markets, which had broken twenty-five year records last week, climbed yesterday to new peaks, with prime beef on the hoof bringing the highest figure in the eighty-one years of the Chicago Union Stockyards' existence. The new record, \$23 a hundred weight, is 28 percent above the highest livestock ceiling that had been permitted by the Office of Price Administration.

Wholesale food prices were listed by Dun & Bradstreet at the highest point in twenty-six years. The agency's index of thirty-one food commodities stood at \$4.88, the highest since June 10, 1920, when it was \$4.89. The highest on record was \$5.30 on July 31, 1919 at the time of uncontrolled inflation after World War I.

Cotton prices for July delivery shot up the allowed daily limit of \$5; the cash price of No. 1 dark northern spring wheat jumped 17 cents a bushel within the day, and trading in cotton seed oil for future delivery was suspended by the New York Produce Exchange after prices had risen more than 3 cents a pound over the former OPA ceiling.

(Turn to page two for more items from today's N. Y. Times.)

From the New York Times, July 11 (Cont.) -

SUGAR-PRICE PACT REPORTED IN CUBA - Havana - It was reported tonight that President Ramon Grau San Martin and the United States Secretary of Agriculture, Clinton Anderson, had agreed that the United States would pay higher prices for Cuban sugar during the last half of this year if there were a rise in the cost of foodstuffs which Cuba imported from the United States.

The agreement was said to retain the basic price of 3.675 cents a pound for the 1946 Cuban sugar crop, but the cost would increase in proportion to any rise in the American commodity index, so that Cuba would not pay inflated prices for imported goods while maintaining a fixed price on its sugar.

It was also reported that Cuba had agreed to sell the 1947 crop to the United States, but the terms were not revealed.

It was understood that Mr. Anderson had postponed until Friday his departure for Washington, originally scheduled for tomorrow, in order to await ratification of the agreement reached today by Cuban sugar growers and mill owners' associations.

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SUITS FOR 6,500,000 MEN IS GOAL SET FOR THE THIRD QUARTER OF YEAR - Washington - A production total of 6,500,000 men's suits is looked for in the third quarter of this year, executives of the Civilian Production Administration disclosed today. Second quarter output, according to information given by the CPA amounted to about 5,800,000 suits, an increase of 600,000 compared with the first quarter of the year.

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PRICES INCREASED ON LEATHER, SHOES - Despite "wishful thinking" on the part of retailers and others that shoe prices would not be advanced this week, increases averaging 8 to 9 percent already have been made on about 50 percent of the production of so-called class 2a numbers, it was learned yesterday. These shoes are those which were produced in the base period, with no price relief since that time excepting the 4-1/2 percent rise granted by the Office of Price Administration on last Jan. 5.

At the same time, tanners are quoting new prices this week averaging 20 to 30 percent more than the OPA ceilings, which expired on June 30.

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COMMERCE DEPARTMENT RESISTING MOVE TO CLAMP DOWN ON EXPORTS - Current reports that, because of price decontrol, the Civilian Production Administration is planning to establish new export quotas for certain commodities now under general license, were confirmed here yesterday by a Department of Commerce official.

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BRITISH PRESENT LIGHTWEIGHT WOOL TO MEET COMPETITION FROM SYNTHETIC DRESS GOODS - London - Evening gowns and blouses made of wool so fine that it weighs only one ounce to the square yard were featured today at an exhibition of the British wool industry, fighting the competition of fabrics like lastex and the new plastics.

The gowns and blouses feel like silk with a mat finish. They are unshrinkable and uncreasable. The yarn is so fragile that alternate threads of processed seaweed were woven with it to give it strength.

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From the New York Journal of Commerce, July 11 -

ADVANCES IN FARM PRODUCTS DRIVE INDEX TO NEW HIGH - Farm products, spearheading the advance in the commodity price level, drove The Journal of Commerce daily index of commodity prices into new high ground yesterday. The weighted price of the 30 sensitive commodity prices of the index now stands at 231.1 a gain of 14.3 per cent over the final day of OPA regulated prices.

Grain.--Grain markets yesterday had one eye on Washington OPA developments, the other one on crop prospects. Result: highly erratic price movements with corn ending the day at a new all-time high, barley up, oats lower. Favorable crop prospects were borne out--after the close of the market--by the official crop report. The corn crop promises to be the biggest in the history of the country.....but it still is three months until harvesting time. Cash grain prices all were up at the close of the day.

Livestock.--Hog prices are creeping up. They reached \$17.75 yesterday, only 75c below the post-OPA top hit last week. Cattle prices established a new high of \$23 for prime steers. Remaining restrictions on non-Federally inspected slaughter are to be lifted.

Meat.--Wholesale price ranges on beef were unchanged while pork prices showed a wider range with the top price of the range higher. Pork shoulders were quoted at 27c to 48c per pound as compared with 27c to 43c.

Poultry markets finally regained sufficient composure to quote a going market at 1c to 5c above the old ceiling. This is well below the old black market range, however.

Fats and oils.--Olive oil got back into the picture yesterday with a price tag of \$10.25 as compared with the bitterly contested old ceiling price of \$5.25....Butter, lard and cottenseed oil were unchanged.....

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COTTON HITS LIMITS TWICE IN 3 DAYS - Cotton futures pushed against daily upward limits for the second time this week as new risk capital poured into market yesterday.

The rise was attributed to Washington reports on the OPA legislation emerging from Senate debate and to the small acreage planted to cotton despite urgent world demand. The belief was widespread that the final bill produced by Congress would not meet the requirements for the Presidential signature.

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MARKETS - Further declines in live poultry prices.....Market for dressed poultry weakens.....Beans lose some ground.....Some melon receipts too poor for market acceptance.....Undergrades of butter advanced.....Prices for eggs unchanged despite outside strength.....Hogs continue to advance, with a top of \$17.75 at Chicago despite further large receipts. . .

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GRAINS IRREGULAR AFTER EARLY RISE - Senate approval of amendments viewed as crippling the OPA touched off active buying futures at Chicago yesterday which carried prices sharply higher at one time but realizing sales late in the season brought about substantial setbacks.....Hopes for a free market were further buoyed by reports of excellent progress of grain crops in practically all sections of the country.

(Turn to page 4 for other items from - - -
today's N. Y. Journal of Commerce.)

Farm Digest 1495-46-3

From the New York Journal of Commerce, July 11 (Cont.) -

FRUIT SHIP LINES ASK HIGHER RATES, Washington - Water carriers planning resumption of prewar refrigerated service in the Florida-North Atlantic citrus fruit trade today urged the ICC to direct a modification or vacation of the fourth section railroad order necessary for adjustment of trackship freight rates.

Ralph Keating, vice president of the United Fruit Co., testified that his subsidiary company, Refrigerated Steamship Co., would not be able to resume operations in the trade without adjustment upward. The citrus fruit movement begins about Oct. 1.

Strong opposition to modification of the fourth section order covering depressed railroad rates was voiced yesterday by the Atlantic Coastline, Seaboard Airline and Florida East Coast railroads, which have handled the Florida citrus fruit shipments since the water lines suspended service in February, 1942.

John A. O'Rourke, secretary and manager of the Florida Growers & Shippers League, testified today that the citrus fruit shippers wanted both rail and water services, but at no higher rates than now charged by the railroads. He said the present rates are the highest in the history of the trade.

From the New York Wall Street Journal, July 11 -

SOLVAY PROCESS CO., N.Y., has purchased the Buckeye Ordnance Works, South Point, O. for \$13,293,000, the War Assets Administration announced, according to the United Press.

The Solvay company plans to employ about 400 people in the plant, built at a cost of \$40 million, in the manufacture of ammonium nitrate solutions.

COTTONSEED OIL FUTURES TRADING IS SUSPENDED - Trading in cottonseed oil futures was temporarily suspended on the New York Produce Exchange pending clarification of the present situation in cotton oil.

A.&P. CUTS BUTTER PRICE 1¢ A POUND - The Great Atlantic & Pacific Tea Co. ordered a reduction of one cent a pound in the price of butter to 79 cents in its stores in the New York metropolitan area, the Associated Press reported. The New York wholesale market remained unchanged at 73-74½ cents a pound.

ABREAST OF THE MARKET - Liquor and packing shares were strong and active in an otherwise quite and irregular stock market yesterday. The industrial and utilities averages were up a little and railroads down a trifle.

The liquor shares sold at new highs....In the active packing division, Cudahy was up 2 3/4 and Wilson common up 2.

From The Boston Christian Science Monitor, July 8 -

MIGRANTS AND CHILD LABOR GAIN BENEFITS ON NEW YORK FARMS-New York-Farmers are joining with law enforcement agencies in New York State to bring about better conditions this summer for child labor in agriculture where sweatshop standards in the past often have imposed long hours and poor working conditions.

A vigorous educational campaign has been conducted by State officials among growers, school authorities, and school children themselves. Through this campaign ample opportunity was given to know the laws regulating child labor.

State Department of Labor surveys of many farms last summer uncovered the sweatshop standards and resulted in a new enforcement drive to supplement the educational campaign. Response of the farmers to this preliminary work has been gratifying, Labor Department officials say, and they anticipate little need to use the State's enforcement power.

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From The New Orleans Times-Picayune, July 8 -

PROPOSE POULTRY PROCESSING PLANT-Bay Minette, Ala., (AP)-The establishment of a \$126,000 poultry processing plant in Baldwin county which would be the largest of its kind in Alabama, has been recommended by the state and county planning commissions, Jimmy Faulkner, chairman of the regional (county) commission, has announced.

The proposal calls for an establishment which would employ 50 to 150 persons, would have a normal capacity for processing 65000 to 8000 chickens a day, and would meet the needs of a market in the area extending from Miami to New Orleans.

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OPA 'BATTLE-ROYAL'-During the early part of last week, Washington dispatches pictured Congress in the mood to pass an OPA bill the president would sign. The Taft amendment excoriated in his veto message was recast by the Senate committee into terms reportedly acceptable to him. Both Democrats and Republicans, impressed by the popular protests against total destruction of price controls, seemed disposed to get together on something that would pacify the public and Mr. Truman, too.

But then came the brickbat from OPA Chieftain Porter, who criticized other provisions of the measure and wanted it rebuilt to the Truman-Bowles specifications. In a matter of minutes, almost, the air was filled with flying brickbats. Senator Taft and others got back into their fighting clothes. Bi-partisan blocs were proposed to fight this and that. The week ended with another OPA "battle-royal" in prospect and Senator Barkley, nettled by the Porter pop-off, predicting "considerable discussion" and "fireworks" over the compromise measure.

So the outlook for price-control restoration is uncertain again, and doubts whether the Senate will pass a bill acceptable to the president are revived and strengthened.

Whatever Congress does with OPA, however, it appears we are in for further rises of living costs.

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From The Farmer, July 6 -

THE FIGHT OVER OPA-Editorial-The majority of our farmer readers who have written us on the subject of OPA and price control favor retention of both. Congress accommodated them, with a kick in the pants. Then President Truman vetoed the bill, so OPA at this writing is a dead agency. All is confusion on the price front and we won't even try to guess what will happen to prices or whether Congress will pass a new bill.

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Farm Digest 1495-46-5

From Wallace Farmer and Iowa Homestead, July 6 -

FAKE OPA WOULD HAVE HURT FARM-Editorial-Most farmers, looking at the OPA bill as passed by congress and voted by President Truman, would say:

"It looks as if congress kept controls on everything we sell, but took most of them off the things we buy." That comes pretty close to the truth.

On OPA, farmers split into two groups. One wanted an effective law continued to keep price controls on both farm products and non-farm products.

The other -- and smaller -- group wanted price controls taken off farm products. These folks didn't realize that it would be harder to get controls off farm products than off other things.

The voted bill would not have cleared up any of the uncertainties about price controls. Some farmers would have continued to hold back livestock in the hope that Secretary Anderson would have recommended increases in ceiling prices on hogs and cattle.

And meantime ceilings on many things farmers buy would have gradually gone up. Nobody won the OPA fight in congress. Farmers lost. The consumers lost. The nation lost. But President Truman has made it clear that he wants an OPA bill that will really do some good. That will make sense to most farmers. They would rather have all controls off than see controls kept on farm products and loosened up on everything else.

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From The Kansas City Times, July 8 -

LOOKING FOR GUIDANCE-Editorial-Many of the senators appear to be in no hurry whatever about action on a bill to revive the OPA. A few are outspoken against any revival of this agency. But the chief purpose of the delay is to see further what happens in the absence of price control. In short, these legislators want guidance, the guidance afforded by actual experience with a trial period.

No such guidance is needed on rent controls and a few others on scarce commodities that cannot soon be provided in adequate amounts. In these cases the ceiling protection is required. In most others its value is doubtful. It is evident that numerous members of Congress believe a further trial period would help to show where the line should be drawn. They are not looking for opinions and propaganda but demonstrated facts. They could use the facts.

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From Chicago Daily Tribune, July 8 -

HOW TO SEND PRICES SKYROCKETING-Editorial-The house is about to take up the 3.75 billion dollar gift-loan to Britain. The senate is working on a bill to revive OPA.

The two measures are intimately related. If the gift-loan is approved, prices are bound to rise sharply no matter what kind of an OPA bill is adopted. They will rise because purchasing power in this country will be inflated by the amount of the loan and all the auxiliary credit arrangements that will go with it. This immense increase in demand at a time when supplies are limited cannot fail to boost prices. The OPA can no more check the rise than it was able to check the black market.

Contrary to widespread fears, prices have not skyrocketed since OPA went out of business. People are beginning to realize that even where higher prices have occurred, they are not an unmixer evil. Part of the compensation comes in the fact that meat, for example is again becoming available in the butcher shops. The black market is disappearing and will not be revived unless OPA is revived.

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(For July 12, 1946)

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2514 (The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From the New York Times, July 12 -

TAFT PROFITS PLAN LOSES IN OPA BILL - Washington - By a tie vote of 40 to 40 the Senate rejected tonight a modified profits formula by Senator Robert A. Taft, Republican of Ohio, thus responding to President Truman's chief objection to the price control bill he vetoed June 29.

The effect of the vote was to retain in the pending measure, which would revive the Office of Price Administration with limited powers until next June 30, a provision written into the new measure by the Senate Banking and Currency Committee with the aid of Price Administrator Paul Porter.

The Taft proposal had been considerably modified to conform with the Banking and Currency Committee's specification that ceilings of producers must reflect average 1940 prices of a product plus average increases in cost since that time.

However, it would have eliminated discretionary clauses in the committee's version. These would permit the OPA to make "reasonable adjustments for conditions resulting from abnormal production" and to refuse increases where costs were being realized if the increases would not aid production or if they would reduce production of equally needed commodities.

Mr. Taft sought also to eliminate an alternate pricing clause which specifies that maximum prices are deemed in compliance with the formula if on the average they equal the average current total cost of a product plus the industry's average overall profit margins in 1940.

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BUYERS' STRIKES SPREADING AS PRICES CONTINUE TO RISE - Organized demonstrations in a dozen or more cities yesterday marked the spread of buyers' strikes as consumer resentment against continuing price increases spread from coast to coast.

In this city members of the Theatre Chapter of the American Veterans Committee put on a sidewalk show at Duffy Square to get passers-by to send letters and telegrams to members of Congress asking for restoration of Federal price controls.

On a clothesline strung from a lamp-post to a newsstand at Broadway and Forty-sixth Street were a suit with a \$199 price tag, a loaf of bread marked 40 cents, and a sign that warned: "This will happen without price control and OPA."

Other demonstrations, some of which included the picketing of retail stores, milk plants and slaughterhouses, took place in Washington, Philadelphia, St. Louis, Louisville, Camden, N. J.; Erie and Reading, Pa., and Quincy, Cambridge and Springfield, Mass. From Portland, Ore., came reports of a slackening of butter and bread sales as housewives protested high prices. In Omaha some meat retailers refused to buy carcasses from independent packers as prices touched \$33 a hundred-weight.

As general market prices in the Chicago stockyards followed those of choice steers in smashing all records, the Dun & Bradstreet price index of thirty basic commodities here rose more than two points in twenty-four hours. The index, in which the 1930-32 average for the 30 commodities is 100, reached 226.99, a new record. It had been 224.72 on Wed., 196.45 a month ago and 177.04 a year ago. (Turn to page 2 for more items from today's N. Y. Times)

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From the New York Times, July 12 (Cont.) -

HUNGARY TO DROP RAISING OF WHEAT - Budapest, Hungary - After a long career as the granary of Europe, Hungary is going out of the wheat business within the next few years. The definite intention of the Government and peasant leaders who were responsible for the land reforms is to find for the Hungarian peasantry a more intensive type of agriculture that will bring a larger profit per acre to the farm family, and abandon the European wheat markets largely to Russia and overseas producers.

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ARGENTINE DELAYS HALT 167 FOOD SHIPS - Buenos Aires - Ships numbering 167--the largest assemblage in many years--are today paralyzed in Argentine ports, unable to complete loading, largely because of delay by the Argentine Government in issuing export licenses for grain and vegetable oils.

- - -

FOR SELECTIVE CONTROLS - Editorial - The exemptions from price control for which the Senate has now voted go much further than those in the original Senate price extension bill. If the bill in its final form is like the bill that the Senate now seems likely to pass, and if the President should sign it, the kind of price control that remained would be lopsided and self-contradictory. It would break down for political and moral causes even if it did not do so from the primary administrative difficulties that it raised. How could the administrators justify and enforce a system under which the prices of Cadillacs and of luxury television sets were held down by law while the prices of meat and eggs and butter and milk were free to go wherever the forces of supply and demand sent them? What would be the moral and political consequences of trying to protect the buyer of luxuries against higher prices while leaving some of the most vital necessities entirely free from controls?

- - -

TEXTILE INSTITUTE SETS PRICE POLICY - Emphasizing the need for maximum production at reasonable prices, prompt shipments, equitable distribution and avoidance of long-term contracts, the board of directors of the Cotton Textile Institute yesterday formulated a four-point policy for adoption by the industry to meet present conditions.

- - -

LEATHER RISE LAID TO WORLD MARKET - Higher quotations on leather today are based wholly on increased raw material costs, tanners said yesterday. "The key factor," it was asserted, "is not the existence or the lapse of Office of Price Administration controls, but the world market situation in hides and skins which emerged on June 26 when international allocation was revoked."

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U. S. DAIRIES ARE PRAISED - London - Great Britain could adopt with profit some of America's practices in the production and distribution of milk, according to a Government report published in London tonight.

* * *

From the New York Journal of Commerce, July 12 -

PRICE ADVANCE BROADENS OUT - The advance in the wholesale commodity price advance broadened further yesterday as print cloths and silver "got into the act." The Journal of Commerce daily index registered a new high of 233.1, 2 points above Wednesday.

By now 22 of the 30 commodities included in this index have risen since the lapse of OPA. The only ones still to be heard from are rubber, tin, copper, burlap, wool, cheese, rye and sugar.

Foods- Grains.-- Futures market continued to rise despite the fact that the Senate did not rule out any renewal of grain ceilings. Corn had another 5c limit advance and even oats were 2c to 4c higher. Cash grain markets were strong; both wheat and corn registered gains of 3c per bushel.

Livestock.- Continued heavy receipts caused a minor setback in hog prices. Losses ranged from 10c to 50c and the top price for the day was \$17.65 per hundred weight. Prime cattle held at the top of \$23 but the average price was 25c higher. Meats held unchanged. Live and dressed poultry eased off another 1c to 2c. Some dressed poultry sales were made $\frac{1}{2}$ c below the old ceiling.

Butter moved up another $1\frac{1}{2}$ c to $74\frac{1}{2}$ c per pound as receipts dropped sharply. Nothing new on cash lard and cottonseed oil.

Other foods.--Cocoa edged higher to 14c to $14\frac{1}{2}$ c per pound day before yesterday. Sales of Syrian and Palestine olive oil were reported at \$9.25 (high acidity) and \$8.75 (low acidity).....

Canned Orange juice moved up 10c per dozen to \$2.35 to \$2.40.....Resistance against recent sharp increase brought about moderate decline in canned jumbo shrimp prices.

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U.S. CASEIN DUE FOR OUTPUT RISE - Creameries in the United States stand ready to produce large quantities of casein on a price basis of 38c or 39c a pound which will permit a comfortable margin of profit, The Journal of Commerce learned yesterday.

If unrestricted by an inadequate price ceiling, the industry may produce so much that there will be no need to import large quantities from the Argentine, observers in close touch with the situation declared.

Geared for large-scale casein production, now that large quantities of skimmed milk powder are not required by the Government which holds tremendous stocks and other milk powder markets are restricted, industry executives are anxiously awaiting completion of price control legislation.

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COTTON OVER 34C - Prices burst through the 34c level as new investors continued to support cotton futures, notwithstanding some profit taking at the new highs, in a fluctuating session on the New York Cotton Exchange yesterday.

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CEREAL PRODUCTS - Mills continued to take business on bulk rolled oats at around \$7.10 per 100-pound bag compared with the recent ceiling of \$5.87 $\frac{1}{2}$ and while business was still restricted to some extent by availability of the grain it was expected that this condition will be of short duration....

(Turn to page 4 for other items from today's N. Y. Journal of Commerce.)

Farm Digest 1505-46-3

From the New York Journal of Commerce, July 12 -

BUTTER UP SHARPLY AS SUPPLY TIGHTENS - Butter markets again moved higher under a sharp deficiency in supply as compared with heavy demand. General price levels, however, have not yet advanced much beyond a point that would compensate milk and cream the loss of the Government production subsidy. Likewise, retail rates in this area on the average are very little higher than they have been during the OPA control period when so much butter was channeled through black market.

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LIMIT CORN RISE FEATURES GRAINS - Rejection by the Senate of an Amendment to the price control extension bill which would have removed grain ceilings had no apparent effect on trading at Chicago yesterday where corn futures rose the permissible limit....

Senate approval of decontrol of numerous other commodities while denying grains was viewed as inconsistent by the trade generally and the belief was growing that retention of these decontrol amendments in the final bill will mean a veto.....

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FILIPINO MONOPOLY IN FLOUR PROTESTED - Flour millers have protested to the American and Philippine Governments the apparent intention of the latter to establish a monopoly in the distribution of flour within the islands.

Flour millers, it is understood, have pointed out that for fifty years Northwest millers have supplied the bulk of Filipino flour imports. These mills have built up efficient distributing facilities, it is added, and have re-established their facilities since V-J Day even though this has not been done only with great difficulty. They believe, further, that they have succeeded in servicing the Philippine market creditably.

Flour millers, it is said, have noted that the Philippine Government would be well advised to leave procurement of flour in the hands of those mills with established connections. It is understood the Philippine American Chamber of Commerce concurs in this view and intends to bring this matter to the attention of the Department of State.

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MARKETS - Market for live fowl again sharply lower.....Dressed poultry declines as receipts are heavy and demand curtailed.....Potatoes weaken.... Berries lower on slow movement.....Prices for butter up 1c to 1½c....Spot eggs hold very firm.....Scattered sales of rice at high prices reported....Palestinian, Syrian olive oils offered on spot.

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From the New York Wall Street Journal, July 12 -

SPIRITS FROM SPUDS - Within a week or two, Americans will be drinking fermented potato juice, and liking it. One bright spot in the dismal supply picture is being supplied by a bountiful harvest of potatoes--which are being processed into "neutral spirits." A potato crop of about 75 million bushels this year compares with an average over the last few years of around 48 million bushels. The Department of Agriculture has made available to liquor makers about 14,000 carloads of them, which should add up to about 10 million gallons of "spirits."

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From The Kansas City Times, July 9 -

MORE MEAT -- WITHOUT THE OPA-Editorial-There is now the promise of better supplies of meat. It will not be black market meat, and the belief is that prices soon will settle down to fair levels. But the condition is that the OPA shall not again be allowed to interfere with the meat situation.

That agency was largely responsible for the mess that existed before all controls lapsed through the President's veto of the OPA extension bill. The record of the OPA on meat is a record of gross mismanagement. Almost a year after the close of the war the OPA maneuvered us into the greatest meat shortage in our history. There were and are plenty of meat animals. Yet under the OPA the big packing houses were running at only a fraction of capacity. Shortly before the OPA went out, more than 3,000 workers were laid off in the four major plants in Kansas City. The butchers' shelves were bare. Women were standing in line by the hour hoping to get a piece of meat from some store fortunate enough to have a limited supply. All this under the OPA.

It was an unnecessary, outrageous and intolerable situation that could have developed only through the ignorance and incompetence of the men in charge of the OPA. Yet they were telling the public that its safety depended upon keeping them in charge, apparently to maintain an economy of scarcity.

Under the impractical OPA regulations the big packers, upon whom the nation depends for most of its meat, were unable to buy livestock in competition with the black market and the smaller packers who had retail outlets.

This condition did not develop by chance. It was the product of stupid policies directed from Washington.

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From Farm and Ranch, July, 1946 -

FARMING ON A BUSINESS BASIS-Editorial-The haphazard system of renting agricultural lands in the Southwest has resulted in eroded, worn-out farms that produce but little revenue for landlords and tenants. Verbal contracts without enforceable conditions are the outgrowth of a one-crop system of farming which prevailed in this area for many years. There was little interest in the control of erosion or in soil building. Today we are faced with a different situation. We have an interest in saving the soil and in making it more productive. We are balancing our farms. We are still handicapped, however, with the old system of renting. More than 50% of our agricultural lands are operated by tenants. But few of these tenants have any incentive to do more than take from the land all that they can and move on to another farm. In the meantime, the land becomes less productive and its value to the owner decreases steadily from year to year.

Farm and Ranch, in numerous articles and editorials over a period of twenty years, has called attention to the need for a change in our system of renting -- a change that would give a good tenant more security and an incentive to increase the value of the farm, thus making more profit for himself and the owner. The need for the change in our system was not as apparent then as now, and little interest was developed. Today it is different. Not only do the owners see that they are losing money, but businessmen in cities and towns also begin to realize that the buying power of rural areas is important to them.

Impressed with the seriousness of the situation, a committee from the A. & M. College of Texas, ably assisted by others who are interested in the matter, is ready to offer land-lords and tenants a contract which can be adapted to any type and size of farm in any section of the Southwest.

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From The New Orleans Times-Picayune, July 3 -

FIGHTING PRICE GOUGES-Editorial-"OPA or no OPA, our prices have not been raised . . . We pledge that we will do everything in our power to keep prices down and to resist and prevent price increases."

That assurance, published jointly by member stores of the New Orleans Commerce Association's Retail Merchants' Bureau, is one of many issued over the country by business organizations and individual business men. Industrial organizations are urging their members to hold price lines to prove, as one of them phrases it, that "American industry is capable of true statemanship." Men of light and leading in business and industrial fields are practically unanimous in their pleas for self-restraint to master the sudden crisis which, in a sense, is testing the system of free enterprise.

As a general thing, news services reported yesterday, retail prices were being held at OPA levels last Monday, though there were scattering reports of isolated food-price gouges and more numerous citations of rental hoists. Whether or not these latter impulses to greed will spread their contagion widely cannot now be foreseen. Their multiplication would spell trouble and might bring national disaster.

If the main body of business and industry heeds the appeals of their leaders and chooses the wiser course, ruinous inflation can be prevented.

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From San Francisco Chronicle, July 4 -

A BALANCE WILL COME-Editorial-The housewife needn't think, because meat prices are up over what they were last week, that she is going to keep on paying so much for chops and steaks. There isn't any real scarcity of meat; it is all artificial. Never before were there so many meat animals in the country; the farmers can't keep them indefinitely eating their heads off. When the supplies get to coming in well prices will level off at something less than momentary scarcity now demands.

This is not to say that retail meat prices will fall all the way back to what they were last week. Part of the current increase was to make up for the subsidy which expired Sunday night. To this extent meat is not costing the consumer now any more than last week; the consumer was paying that subsidy in taxes before and now merely hands it to the butcher over the counter. If the subsidy was correctly assumed to make up for the producer's increased costs we need not expect this part of the price rise to disappear.

The same principle applies in its degree to butter; this shortage is also artificial. We may expect the butter-making capacity of the country, unused while OPA kept it so, to get back to its normal business. For a while butter may be too high, which will boost butter making. Then the combination of plentiful supplies and refusal of the housewife to pay extravagant prices -- she will be no worse off doing that than she is now when there is no butter -- will bring charges back to a reasonable level.

This is likely to work out in the same way with most commodities.

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From Prairie Farmer, July 6 -

NEXT FAMINE CRISIS-Editorial-There is a time bomb ticking away near the heart of the world food shortage.

One elevator in southwestern Kansas already has 60,000 bushels of wheat piled on the ground. There are 150,000,000 bushels on the ground in west Texas. More than 200 elevators along the Santa Fe are filled. No cars. Transportation is the time bomb.

Farm Digest 1505-46-6

JUL 18 1946

U. S. DEPARTMENT OF AGRICULTURE
Office of Information
Washington 25, D. C.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From the New York Times, July 13 -

PRICE CONTROL BILL VOTED BY SENATE; MANY FOOD ITEMS EXEMPT - Washington - After adding grain and tobacco to its list of exemptions, the Senate passed early today a bill to re-establish price and rent controls until June 30, 1947. The vote was 62 to 15.

The new bill, enacted as a substitute for a measure vetoed by President Truman June 29 on grounds that it merely legalized inflation, was sent back to the House for submission to a joint conference committee to adjust differences between the measures passed by the two bodies.

The Senate had loaded the measure down with amendments, opposed by the Administration, exempting so many specific items that predictions were freely made that President Truman would again exercise his veto power.

In addition to grains and tobacco, the exemptions include livestock, poultry, eggs, cottonseed, soybeans, petroleum and their products. Products include butter, cheese, fats, oils and butter and lard substitutes.

The bill would also transfer rent control to States having laws for its administration.

While all but two of the provisions of the vetoed measure were also contained in the substitute, the two which were eliminated were those protested most strongly by the President. Those were the Taft and Cherry producers' and distributors' profits formulas.

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U. S. SET FAMINE-AID GOAL, TRUMAN, ANDERSON DECLARE - Washington - President Truman today made public, with a commendatory statement, the United States' record in shipping food overseas for relief in the famine year ending June 30 as given to him in a special report by Secretary of Agriculture Clinton P. Anderson.

A total United States export of 16,500,000 long tons of food was reported of which 10,336,000 tons were bread grains. Shipments were nearly double what was planned when the crop year opened, and exceeded actual commitments as of the year's end by 17,000,000 bushels.

This country sent foreign Governments more than 40 percent of its wheat; more than 35 percent of its rice; more than 20 percent of its cheese; more than 10 percent of its fats and oils, and about 6 percent of its meat.

President Truman pronounced this a record of accomplishment in which the American people could take pride, and said that it had been made possible only by cooperation and determined effort on the part of everyone--the public, food producers and handlers, transportation companies, organizations and Government agencies.

He emphasized the need for continued cooperation and sharing with the rest of the world to relieve the hunger still existing, and said that the importance of this effort to relieve human suffering and establishing world peace could not be overestimated.

Secretary Anderson also stressed in his report the continuing urgency of relief needs, although he said the worst immediate dangers of famine had been forestalled.

(Turn to page 2 for more items from - - -
today's N. Y. Times)

Farm Digest 1515-46

From the New York Times, July 13 (Cont.) -

MEAT FOR SUNDAY DINNERS ASSURED AS SUPPLY CLIMBS - With the heaviest meat supplies in months pouring into the city's wholesale markets, housewives were assured yesterday of a break in their previous "ersatz" Sunday dinners. New York hotels also denied reports that any immediate increase in the price of meals was contemplated, their watchword, according to James A. McCarthy, executive secretary of the Hotel Association of New York, being "hold the line."

"There has been no definite action taken by the hotels on increasing prices," Mr. McCarthy said. "There may be some hotels that initiated increases under the last OPA order but our policy is still 'hold the line.'"

Restaurants are following a similar line, explaining that they are now able to buy cheaper in the legitimate open market than they were in the black market that existed during the days of Office of Price Administration ceilings.

Paul Henkel, president of the Society of Restaurateurs, said there was no necessity for increasing menu prices.

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MOVES GRAIN BONUS BILL - Washington - A bill to give to farmers a bonus of 30 cents a bushel on wheat and corn produced, and sold, between Jan. 1, 1945, and April 18, 1946, was approved unanimously today by the Senate Agriculture Committee.

The Government on April 18, put into effect a similar 30-cent bonus to obtain grain for foreign relief. Thus, the measure would provide the same benefits for farmers who sold their grain before that date.

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FAMINE MARCHES ON INDIA - Editorial - As India approaches independence she also enters the shadow of catastrophe which may throw the whole teeming land into anarchy and ruin. Famine, never far away, is marching on the peninsula at a pace that promises disaster by late summer. Unless measures are taken promptly to halt that march, starvation and death threaten a hundred million people there.

The ground is well prepared. Two successive failures of the normal rainfall plus tidal waves that flooded the east coastal rice fields and irrigation ditches with salt water have left cropless and bare a broad belt stretching from the northern United Provinces almost to the southern tip of India. This area includes a village population nearly equal to that of the entire United States. The people of these villages are already on a rigidly enforced ration. Signs of malnutrition are beginning to appear in many districts. They are the same as those that preceded the terrible famine beginning in August, 1943, in which the victims of starvation died at the rate of 100,000 a week.

George Jones, our correspondent in India, after a tour of several thousand miles with members of the American Famine Mission, reports that unless a similar horror is to be avoided there must be substantial help from us.

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CCC WOOL BILL ACTED ON - Washington - The Senate Agriculture Committee approved today a bill to permit Commodity Credit Corporation to continue its purchase of domestic wool.

From the New York Wall Street Journal, July 13 -

NEBRASKA WHEAT STORED ON GROUND BECAUSE OF BIN AND CAR SHORTAGE, Omaha-
New Nebraska wheat has been dumped on the ground because of severe shortage
of grain cars and storage space.

Abandoned houses, old barns and other buildings were being swept out
for use as storage space as the estimated 82,574,000-bushel crop rolled in.

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HEAVY OFFERS OF CASH OATS by producers, in addition to prospects for
large movement of new crop oats, depressed this cereal yesterday. Dealers ex-
pected that movement of 1946 oats will be heavy within the next few weeks and
as a result sold supplies at lower prices. Oats futures dropped nearly 3 cents
a bushel. The market's undertone was weak throughout the entire session.
Producers yesterday sold more than 235,000 bushels of cash oats....

Corn prices at Chicago moved over a wide range. This action was
caused by thin conditions in the market. Small orders in either direction were
sufficient to move corn prices widely. After a steady opening corn at Chicago
dropped more than 6 cents a bushel.

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COTTON FUTURES moved over a wide range in active dealings marked by
heavy mill buying. The market broke \$3.25 a bale on an opening wave of
commission house profit-taking but thereafter moved steadily higher to reach
new highs for the day on a closing flurry of mill demand and short-covering....
Pessimistic private crop reports, increased mill interest in spot cotton, and a
favorable June cotton consumption forecast, were factors supporting the upward
movement. Weevil infestation was reported increasing in the cotton belt despite
more intensive use of poison.

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MEAT REPORTED MOVING AT PRICES WELL BELOW OLD BLACK MARKET RATES, Chicago-
Meat is moving in many cities at prices well below old black market prices the
American Meat Institute reported following a spot check....in various cities.

"Consumers in Chicago," said the Institute, "were being offered rib
roasts at 41 cents, sirloin steaks at 49 cents, round steaks at 48 cents, pot
roasts at 35 cents and pork loin roasts at from 35 to 37 cents. In Kansas
City, hamburger was offered at 29½ cents, with lamb legs and rib lamb chops at
39 cents and lamb stew at 25 cents. Philadelphia had AA sirloin steak at
49 cents, ham at 43 cents and spring leg of lamb at 45 cents.

"The increased supply of both beef and pork is beginning to fill up
the distribution pipe lines and consumers can expect a gradually increasing
quantity of meat....

"Some newspaper stories and radio broadcasts about extremely high cattle
prices are not justified. Cattle which produce the bulk of the beef of
commerce yesterday were selling at various markets, at from 18½ to 22 cents a
pound; more than one-half the cattle sold in the typical and basic Chicago
market averaging at below 19 cents.

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(Turn to page 4 for other items from
today's N. Y. Wall Street Journal.)

Farm Digest 1515-46-3

From the New York Wall Street Journal, July 13 (Cont.) -

SHELL EGG FUTURES TUMBLE TO NEW SEASON LOWS, Chicago - Deferred shell egg futures tumbled to new season lows while the nearby position slipped to its lowest in four months as prices tumbled as much as 180 points in very active trading on the Chicago Mercantile Exchange yesterday.

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SOUTH AFRICAN MISSION HERE TO BUY FARM EQUIPMENT, Washington - A purchasing commission representing a federal association of agricultural cooperatives in the Union of South Africa has arrived in the United States for a stay of about six weeks, the Commerce Department announced.

The mission, representing some 200,000 farmers in South Africa, is the market for American agricultural equipment—especially farm machinery—spare parts, fencing and irrigation material, fertilizers, lubricants, and dairy machinery.

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HOUSE REFUSES TO VOTE FUNDS FOR FEDERAL FERTILIZER PLANT, Washington - The House voted for the second time to withhold funds for the construction of a "super" phosphate plant at Mobile, Ala.; to serve as a cost yard-stick for the fertilizer industry.

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SUGAR SHARES - Increased activity at firmer prices has directed attention to the sugar shares. This group, on the average, still is considerably below the best prices of 1946, and it has not participated to any extent in market upsurges during the past few months. Financial people point out that unlike the period immediately after the World War I, little competition is to be expected from Javanese, Philippine or European production for from two to four years. Moreover, the ruling price of 3.675 cents a pound for the good 1946 crop is some 18½ percent above the price for the short crop of 1945. One of the imponderables in the situation has been the reluctance of the Cuban sugar producers to export sugar in the future at fixed price of 3.675 cents a pound with no protection against the possibility they would have to pay inflated prices for imports from the United States. It is indicated, however that President Ramon Grau Martin of Cuba and U. S. Secretary of Agriculture Anderson are near an agreement under which Cuba will sell its sugar to the United States. Cuba would continue exports at the basic price of 3.675 cents a pound for the 1946 Cuban crop, plus an increase in ratio to any rise in the average price of basic U.S. commodities.

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From the New York Herald Tribune, July 13 -

STATE INQUIRY ON MILK PRICE SPREAD ORDERED, Albany - A "very full and thorough" investigation of the spread between producer and consumer milk prices and "all angles of the milk-marketing situation" voted unanimously today by the seventeen-member Temporary State Commission on Agriculture.

An investigation of the price spread has been agitated in the Legislature for years. Governor Thomas E. Dewey recommended such an investigation during the last session of the Legislature and the commission's appropriation was increased from \$50,000 to \$200,000.

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From The Kansas City Star, July 10 -

BEEF FLOW IS ON-So rapid is the improvement in Kansas City's meat situation that long-idle butchers in one major packing plant were called hurriedly to work today and another plant was making deliveries of 150 beef carcasses to groceries and shops.

Following a start yesterday, Wilson & Co., expected to have delivered 150 beef carcasses by tonight to counters where meat-hungry citizens may buy. Each carcass was estimated at from 400 to 550 pounds of dressed meat.

Gordon Hicks, manager, compared deliveries of yesterday and today with the conditions of the last three months when the packing plants delivered fewer than five dressed cattle in Kansas City each week.

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From Watertown (N.Y.) Daily Times, July 10 -

BUTTER IS PLENTIFUL HERE AT 78-89 CENTS-Butter was plentiful in Watertown retail stores today for the first time since last winter, but the price ranged from 78 to 89 cents a pound -- nearly double the pre-war figure.

The low price was being quoted in chain outlets, nearly all of which said their butter stocks were ample. Independents also were well supplied.

While the butter situation improved immeasurably, meat stocks were still limited.

One of the chain stores reported it had a ton of butter on hand. Another said it had no butter today but expected a liberal shipment for Thursday.

Most of the chains have announced a policy of holding as closely as possible to OPA prices.

For the first time since butter went into short supply last winter, pound sales were common in Watertown stores today.

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From The Northwestern Miller, July 9 -

A FRIENDLY WORD-Editorial-With all good will, we suggest that some intelligent and persuasively spoken British citizen could render a great service to his country and the Empire by taking Mr. John Strachey, food minister, and perhaps a few other anointed leaders of the labor government out to some quiet rural spot amid the hedgerows of old England and explain to them in words of one syllable something about the force of American public opinion. At the moment the need for this explanation applies especially to the business of food supplies and even more particularly to wheat, flour and bread.

No one knows officially just how much the American 80% flour extraction order -- decided at "cabinet level" so definitely that even Secretary of Agriculture Anderson was in the position of having almost rudely to brush aside proposals of men experienced in the bread industries for a better solution of the wheat saving problem -- was due to foreign influence. But the widespread report that it was the result of British pleas for "equality of sacrifice" by the American people has not been denied. Now it is quite clear that the amount of wheat saved by the nuisance regulation was not significant and was largely dissipated by its increased use for animal feeding in lieu of reduced supplies of millfeed.

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From Chicago Journal of Commerce, July 11 -

MEAT CONTROLS OUT-Editorial-For the second time, the Senate has recorded its opposition to price controls on meat, poultry and eggs. Under the free prices of the last ten days the judgment of the Senate majority, as expressed in price control action last month, has been vindicated.

Free markets have returned meat, especially beef, to the retail shops. There have been some attempts at gouging, but where the prices seemed exorbitant the housewives have stalked out without buying. Meat that does sell is generally priced between the old black market figures and the old ceilings plus the rise occasioned by the passing of subsidies, which is estimated at 10 per cent.

Increased marketing of cattle and hogs in the Autumn will tend to lower present prices. Live stock and meat marketing will be restored to a more nearly normal pattern.

In view of the fact that live stock offerings dried up under OPA, and ceiling prices meant nothing when there was no meat to buy legally, the Senate is showing wisdom in insisting upon giving the meat situation the opportunity to straighten itself out. Fifteen to 20 per cent is not too high a price to pay for the benefits derived.

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From The Memphis Commercial Appeal, July 10 -

ALLOTMENTS TERRED PRIME FOE OF COTTON-Dallas-One of the greatest barriers to cotton's success today is the AAA allotment program, which prevents the trend of cotton growing from the ill-adapted farms to the better, more efficient farms, where production costs can be reduced, Lamar Fleming Jr., president of Anderson, Clayton & Co., Houston, Tuesday told the Cotton Research Congress here.

Speaking on the general subject, "Barriers To a Sound National Cotton Policy," Mr. Fleming outlined the obstacles that must be overcome.

"A sound cotton policy must be built around the essential ingredients of success," he told the cotton men who are attending the meeting. "Among the ingredients essential to success in a productive endeavor, we know the following: First, efficiency of plant and equipment; second, efficiency of operation; third, high production per man hour of energy and per dollar of investment; fourth, perfection of quality of product, and fifth, a merchandising which leaves the producers a high return for their efforts and investment."

He pointed out that to grow cotton efficiently the land must be suitable and the farmer must have adequate machinery. The borderline farms and the inefficient farms have been kept in operation in a day when the trend is toward efficiency and mechanization by the AAA system, which allots a certain percentage of the entire cotton acreage to each state, each county and each farm. He insisted that should the system be changed cotton farming soon would flow to the alluvial lands of the Mississippi Valley and to the level lands of Texas, and that the unsuited lands could and would be turned to the growing of farm products for which they are better suited.

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From The Houston Chronicle, July 9 -

CLASH ON OPA-Editorial-The battle over extension of the OPA now involves two strategems. The first is the effort of special interests to remove specified price controls through a combination of strength; the second, a determination on the part of congress to return a measure to the White House for approval or disapproval so that the blame for the death of OPA -- if that is the result -- will rest on the president and not on congress.

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From the New York Times, July 15 - U. S. DEPARTMENT OF AGRICULTURE

PRESIDENT HINTS VETO OF OPA BILL AS IT NOW STANDS - Washington - President Truman revealed to Congress and the country today an adverse opinion of the Senate's bill to extend price control. It could not be any worse, he said.

A chance to alter the bill and perhaps make it more acceptable to the Chief Executive rests with the House of Representatives Tuesday when it goes to the floor. Administration leaders are pinning their hopes on the possibility that it can be sent to conference and revised there.

If such revision were accomplished the measure would be more likely to get the approval of the President, whose statement today was taken as a hint of a veto if it were finally passed with the wide exemptions which make it similar to the first extension bill which he vetoed on June 29.

Mr. Truman made his criticism of the bill at the National Airport, where he welcomed Secretary Byrnes and his party returning from the Paris meeting of Foreign Ministers.

Senator Arthur Vandenberg, who with Senator Tom Connally, accompanied Mr. Byrnes, was told by the President that an OPA bill had been passed by the Senate. He asked how the bill was.

"In terrible shape," the President replied. "It couldn't be worse."

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TRUMAN WILL SIGN BRITISH LOAN TODAY - Washington - Great Britain's use of the \$3,750,000,000 loan approved by the House yesterday and expected to be signed by President Truman tomorrow will be principally for the purchase of machinery and raw materials, according to word received here today. A small part of the credit, \$100,000,000 to \$200,000,000, reportedly will be used for the buying of foodstuffs and luxuries immediately needed to give to Britons a temporary surcease from their stringent food and clothing restrictions.

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REFUSES BRITISH FOOD - London - It is understood that the East African Government is likely to ask the British Government to send no more processed foodstuffs to its territories unless considered essential to British export policy. This follows mounting criticism of the continued importation of foodstuffs from Britain as well as greater quantities from South Africa, Canada and elsewhere, though East Africa is one of the best-fed areas in the empire.

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JOBS NOW AT PEAK IN FOOD PROCESSING - Washington - In a highly optimistic survey of production and employment presented by the Department of Labor today, canned and frozen-food production and employment were reported at a peak in 1946.

The department-store industry, instead of sliding into a summer slump this year, showed prospects of a rising sales and employment curve until November. The overall picture was marred, however, by shortages of materials which continued to hold down production and employment in numerous industries.

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(Turn to page 2 for more items from today's N. Y. Times.)

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From the New York Times, July 15 (Cont.) =

TUNA RUN BRINGS BONANZA - San Diego, Calif. - San Diego's fishing fleet was off on an almost frantic "gold-rush" today--eager to cash in on the richest tuna run in the forty-five-year history of the industry here.

Albacore, the top-grade variety of tuna, were reported running as never before in the memory of the oldest fisherman along a 400-mile section of the coast.

They were bringing a record price at the canneries here at \$410 a ton--representing an increase of \$40 since the June 30 lapse of OPA ceilings.

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PRICE CONTROL IN THE HOUSE - Editorial - The price control extension bill passed by the Senate has provisions which, considered in isolation, are a great advance either over the former price control law or over the compromise extension bill vetoed by the President. But the Senate's new price control extension bill, considered as a unit, is an economic and political monstrosity. It takes price controls entirely off foodstuffs, that is, off many of the items most important in the living costs of low-income families, while retaining them on manufactured articles and on luxuries. It takes price controls off many raw materials while retaining them on the finished goods into which they enter. It retains \$1,000,000,000 for subsidies, though the most important items on which subsidies were paid would no longer be under price ceilings. It gives special pricing formulas to some commodities and denies them to others--and no ground for the discrimination can be found but a political one. It retains the essence of the Taft formula to provide fair profit margins, but then says, in effect, that the administrators don't have to apply it. It provides for the virtually automatic restoration of pre-July 1 price ceilings, even though it is clear that many injustices might now result from this.

These defects could be removed by the House.

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BAKERS IN A RUSH TO PURCHASE CASH LARD; FEAR OF PRICE CONTROL A FACTOR IN THE BUYING - Chicago - A rush to buy cash lard by bakers who fear that price control regulations in some form or manner will prevent normal distribution of that product as well as a belief the movement of hogs will fall off resulted in unusually high prices being paid last week, with large chain bakers again taking product up to 30 cents a pound.

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FRENCH CONSIDER 2-WAY MEAT PLAN - Paris - Yves Farge, Minister of Food Supply, is scheduled to confer tomorrow with representatives of the Paris meat industry in connection with his plan to fight the meat black market by having butchers' stocks rationed and price-controlled for buyers in the lower income brackets, while an equal amount of unrationed and loosely price-controlled meat is left for those who can pay more.

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WOMEN URGE KING TO BAN BREAD CUT - London - After a mass meeting in Trafalgar Square today, British housewives addressed petitions to the King protesting against the bread rationing.

The petitions, bearing the signatures of more than 300,000 housewives, were handed in at the Home Office. They contained "prayers that King George would repeal bread rationing."

* * *

From the New York Journal of Commerce, July 15 -

A FORTNIGHT WITHOUT OPA- Editorial -First, vague predictions of "chaos" and runaway inflation" to follow the termination of OPA have not proved justified.

Secondly, the lifting of controls will bring out more production of many scarce items.

In the third place, organized labor must recognize by now that it cannot secure sharp wage increase without undermining price stability.

Advocates of the extension of OPA for another year without change grossly overstated their case. On the other hand, prices are likely to rise less, and to be stabilized sooner, if flexible controls were restored for another period of months, while production continues to expand. The sensible course of procedure would be for the President to sign the new price control bill passed by Congress, regardless of which commodity groups are exempted, and then use the authority of Government single-mindedly to stimulate expansion of production. The larger output of goods that would result, is the one sure antidote for inflation, for prices will not advance materially or remain higher if supply has caught up with demand.

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COTTON GAINS 10% ON SHORT NEW CROP - Gains of more than \$15 a bale during the second week of free markets brought cotton futures more into line with other commodities as the statistical position of the staple began to influence trading on the New York Cotton Exchange last week.

The Bureau of Labor Statistics index showed that the cost of 28 basic commodities had risen 17 per cent in the period since the OPA advanced less than 1 per cent during the first week. During the second week, prices advanced a full 10 per cent. Traders asserted that cotton futures, freed of controls, were finding their proper levels on the basis of supply and demand.

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SEE U.S. SUGAR BUY FROM CUBA BARGAIN - From the standpoint of some Cuban sugar interests the contract which will be signed tomorrow by John W. Snyder, United States Secretary of the Treasury, and Attorney-General Tom C. Clark and Cuban Government officials for purchase of the 1946 and 1947 sugar crops, along with by-products, is not as favorable as had been expected.

These interests fear that Cuba is exchanging a decidedly favorable bargaining position for a promise of a larger share of the United States market in the years ahead. For a few years even beyond 1947 Cuba can expect to be called upon for maximum production, or until the Philippines begin shipments. Beyond that, however, these observers fear that there is no way for United States officials to make good on a promise since the decision on a sugar bill rests with Congress. It will be Congress that will decide on the size of quotas under the Sugar Act, not the Administration.

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CORN FUTURES GAIN- Passage by the Senate of an amendment eliminating ceilings on grains provided momentum to an advance in corn futures at Chicago on Saturday which rose the permissible 5c for a single day's trading but oats lagged....Despite Senate action there was no general rush to buy futures and advances were due as much to a scarcity of offerings as any particular buying movement with many traders absent and others inclined to move cautiously owing to uncertainty as the fate of the Senate version of the price extension bill when it reaches the conference stage. Corn as expected, was the most responsive due to the fact that it has been in extremely scarce supply in commercial channels.

Farm Digest 1525-46-3

From the New York Journal of Commerce, July 15 (Cont.) -

MOST FLOUR MILLS WITHHOLD OFFERINGS - Near stagnation prevailed in the flour market at the week-end as mills with very few exceptions, were withdrawn from the market rather than risk commitments at prevailing higher prices owing to the possibility that OPA prices might be renewed.

Since OPA controls ended mills have been forced to pay much higher prices for wheat and with the subsidy no longer in effect prices have ranged from around \$1.50 to \$2 per 100 pound sack over former levels.

It was expected that somewhat larger quantities of flour will be available to bakers during the near future but very little has been booked beyond these prospective receipts and mills will remain on a day-to-day basis or stay out of the market until price uncertainties have been removed by determination of the future OPA.

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ENDORSE ENDING GRAIN CEILINGS, Washington - In an urgent appeal to members of the House of Representatives to support the Senate action on the decontrol of grains, the National Association of Commodity Exchanges and Allied Trades today declared that reimposition of price controls would seriously threaten the country's basic food supplies and its obligation to the starving people of the world.

Citing an inequity in the Senate amendment whereby livestock and poultry freed from price ceilings, while grain products for human consumption remain under price controls, the association said: "The net effect of this provision is to impose upon marketing and distributing agencies a tremendous and unfair obligation to comply with the intent and purposes of the law in seeing that grain flows into proper channels."

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From the New York Wall Street Journal, July 15 -

CONSUMER RESISTANCE TO HIGH BUTTER PRICES CAUSES DEALER CAUTION, Chicago - Consumer sales resistance to advancing butter prices is creating a cautious attitude in wholesale markets, the Department of Agriculture stated. The Department said chain and dairy stores in New York and Philadelphia retailing butter at 78 to 80 cents a pound reported good demand, but smaller dealers selling at 85 to 90 cents "were feeling the effects of high prices."

In sections of Iowa, the Department stated, there were "some reports of retail sales dropping as much as 25% at the higher prices."

At Chicago chains were featuring top grade butter at 73 to 74 cents a pound for a week-end special and at Los Angeles chain stores planned to feature butter next week at 80 cents. San Francisco was receiving butter from the Midwest at 75½ to 77 cents a pound in the wholesale market.

Receipts of butter at major markets during the week were up "rather sharply," which the Department said reflected "some shipments which had been held back for higher prices."

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From The Baltimore Sun, July 13 -

THE FARMERS UNION PULLS OUT OF WASHINGTON-Editorial-Pretty high up on the list of significant events for this week you can enter the departure of the Farmers Union from Washington. For the evidence is reasonably clear that here perishes another one of the more optimistic notions of the post-1933 people in Washington. It is one more sign that, for better or for worse, we are putting the New Deal years behind us.

In brief the Farmers Union was the rough analogue in the farm field to the CIO in the labor field. It was an outfit taken to its intimate bosom by the Roosevelt Administration as a counter and foil against other organizations in the same field which were apt to be refractory in the pinches.

Now, however, President James G. Patton of the Farmers Union says the light has failed at the Capital. He can detect no hope in the policies of President Truman. Like his friend and collaborationist, Mr. Philip Murray, of the CIO, he sees in contemporary Washington something dangerously close to betrayal of the original New Deal. And never having wielded in farm politics the kind of weight which the CIO throws around in labor politics, Mr. Patton and his Farmers Union accordingly abandon the Washington field almost altogether to their right-wing rivals. The decision seems quite accurately to mirror the political fact that farmers, even small farmers, tend, for the long pull, to be conservative in their politics.

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From The Milwaukee Journal, July 11 -

BETTER NONE THAN A FAKE OPA-Editorial-On the evidence of its actions these last few days, the senate seems determined that, if OPA is revived, it shall be an OPA entirely unable to cope with the price control problem.

The question is why, feeling as it does, it continues to punch holes in the measure to extend OPA authority for another year. The more honest approach would be to kill the bill entirely. Surely the senate knows that the president will not be likely to sign the kind of measure it is preparing. Why, then, waste time preparing it?

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From The Memphis Commercial Appeal, July 11 -

GROWERS OF TOMATOES ROBBED, AGENT CLAIMS-"West Tennessee farmers are being robbed of their fair share of the dollars consumers are paying for tomatoes."

This charge was made yesterday by F. H. Paschal of Ripley, extension agent of Lauderdale County, in reporting farmers there are receiving only \$1 a bushel for U. S. No. 1 green wrap tomatoes, now bringing \$6 and \$7 a bushel on Northern and Eastern wholesale markets.

"I'm not prepared to say officially who is getting the vast difference between the amounts farmers are receiving and consumers are paying for tomatoes," Mr. Paschal said, "but I do know something is radically wrong with the marketing system that permits such a gross inequity to flourish.

"Both the producer and the consumer," Mr. Paschal declared, "are victims of this vicious system, which threatens to undo all the progress agricultural workers in this section and The Commercial Appeal, through its Plant To Prosper program, have made toward building a diversified agriculture in the MidSouth."

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From Watertown (N.Y.) Daily Times, July 11 -

INFLATION IMPENDS-Editorial-The OPA bill is virtually destroyed so far as an effective measure is concerned. Pressure groups have accomplished their purpose. They have destroyed ceilings here, there, and everywhere. The United States senate appears as a sad, weak body. It has submitted to importunities, the insistence and the threats of interest, until the price control as provided by the bill is a triviality.

One has difficulty in understanding why a body of carefully selected legislators, men as important in public affairs as senators, would submit to these changes in the bill, especially in the light of all that has happened to prices since OPA controls went off on July 1. The prices of meat and dairy products and poultry shot up in an alarming way when they were uncontrolled. In spite of this fact we see the Senators voting again to remove permanently all controls. It is not as though the Senators had no example of what would happen. They originally took off controls, the President vetoed the bill, and prices shot up immediately.

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From The Amarillo (Texas) Globe, July 10 -

RETURN OF THE SPUD-Editorial-Our wheat conservation program may succeed in restoring the potato to its rightful high estate in this country. Perhaps such a minor by-product of the important business of saving lives is unworthy of attention. Yet it must be admitted that the humble spud has taken quite a kicking-around in late years.

The potato, as the Department of Agriculture points out, is not fattening. A good-sized one contains more calories than an average serving of peas or corn, or two slices of bread. But to hear the diet faddists talk, one would think that a potato was 100 per cent butterfat.

The trouble, of course, lies in what we put on the potato. And so, because of gravies and cream and gobs of butter, the seekers after slinness have felt constrained to pass up the tasty tuber and thus deny themselves one of the noble plebian delicacies.

A boiled or baked potato, anointed with salt and less butter than you would put on a slice of bread, offers wonderful low-calory nourishment. Or the dieter can use salt alone and find himself missing very little.

And -- to get right down to cases -- if you think you must have a piece of bread for a "pusher" at every meal, there's always the baked potato skin. It's a delicious substitute that will do very nicely for the duration of the emergency.

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From The Davenport (Ia.) Democrat and Leader, July 10 -

FARM PROVIDES THERAPY, FOOD FOR GI PATIENTS-Chillicothe, O.-(UP)-Handicapped war veterans are doing their part in meeting America's increased food production goal on the site of old Camp Sherman near here.

The Chillicothe veterans administration occupational therapy farm is run by 115 mentally-ill patients, who served in both World War I and II.

Producing farm crops for their own needs helps to conserve food supplies badly needed in feeding the world's hungry people. It also provides beneficial occupational therapy.

Cultivating the soil and caring for livestock is on a voluntary basis for the patients, most of whom were farmers before entering the service. They have a common interest in raising good crops and cattle.

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U. S. DEPARTMENT OF AGRICULTURE
Office of Information
Washington 25, D. C.

(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 4091. Phone Gene Harrison at 6212.)

From the New York Times, July 16 -

OPA'S DOOM HINTED UNLESS PRESIDENT SIGNS SENATE BILL - Washington - A second Presidential veto of drastically modified price control legislation would find Congress giving up its efforts to bring back the OPA, it was indicated in key quarters today.

These signs came as Democratic Congressional leaders, returning from their weekly conference with President Truman, revived talk of sine die adjournment within two weeks in the face of widespread expressions of doubt that the new Senate OPA bill could be whipped into a form acceptable to the Chief Executive.

Mr. Truman's observation, made at the National Airport yesterday, that the new bill "couldn't be any worse," traveled from one to another at the Capitol today. Senator Alben W. Barkley, the Majority Leader, remarked that that was not all the President had said about the measure.

Thus, the legislation loaded with the decontrols put into what the House had adopted as a simple extension of the OPA until July 20, entered a field of high speculation as rival House factions jockeyed into position for voting tests scheduled for tomorrow.

Administration leaders still sought to send the bill to conference, where adjustments could be sought on the control exemptions given by the Senate to livestock, poultry, eggs and other dairy products, grain and feedstuffs, cottonseed, soy beans and products including vegetable oils, tobacco, petroleum and its products.

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TRUMAN SIGNS BRITISH LOAN, CALLS IT WORLD TRADE SPUR - Washington - President Truman signed today the bill allowing \$3,750,000,000 of credit to Great Britain, stating that the measure served this country's "immediate and long-range interests" by speeding the return of world-wide trade.

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600 TO ATTEND FAO TALKS - Copenhagen - Some 600 delegates representing seventy nations will attend the United Nations' Food and Agricultural Organization's congress here in September to discuss world problems of nutrition, food and agriculture. Forty-two delegates will represent member nations, the rest--including one from the Soviet Union--coming as observers. Russia has not yet decided whether to join the FAO

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LUMBER TO RAISE FURNITURE COSTS - Chicago - Higher lumber prices will be reflected in increasing furniture costs, retail furniture buyers were warned today, but, at the same time, more lumber can be expected in normal commercial channels as price increases take business away from former black market sources.

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(Turn to page 2 for other items from today's N. Y. Times.)

Farm Digest 1535-46

From the New York Times, July 16 (Cont.) -

WEAKNESS EVIDENT IN TRADING IN OATS - Chicago - Oats futures and the cash article showed a weak undertone on the Board of Trade today, the former closing 2-1/4 to 3 cents a bushel lower and the cash grain going down 3 to 5 cents. July oats, which sold at 98 cents two weeks ago after the demise of the Office of Price Administration, have declined 14-5/8 cents. The finish was at the bottom.

Corn had a range of 5 cents, fluctuating in a nervous manner because of a small trade, and finished 1/8 to 7/8 of a cent lower after selling early at a new seasonal high. Cash corn was 1 cent higher, with no. 2 yellow at \$2.28, or within 8 cents of the record set in 1917. Cash wheat was steady to 1 cent lower.

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FAMINE STILL NEAR TRUMAN DECLARES - Washington - President Truman today told a Youth Conference on Famine Relief that the score of national youth organizations represented could be of assistance by "bringing home to our people the necessity for their continuing to help feed the world."

He said that world famine still faced us in spite of the fact that we almost doubled our bread-grains quota, sending overseas in the last crop year 417,000,000 bushels of food grains when only 225,000,000 bushels had been pledged as late as last November.

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SPAIN VOTES LOANS FOR SMALL FARMERS - Madrid - The Cortes passed today a bill authorizing Government-guaranteed loans of 1,000,000,000 pesetas—about \$100,000,000—to small farmers for purchasing equipment and fertilizer. Before reaching the Cortes the bill was fought by large land-holders.

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PANAMA APPROVES FARM LOAN - Panama - The National Assembly has authorized a twenty-year 4 percent internal loan of \$1,500,000 for the purpose of increasing production in agriculture. The money will be used for the agricultural machinery, improved breeding stock and in assistance to small farmers.

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BAGOTA REFUSES MILK PRICE CUT - Bogota, Colombia - Price control authorities have refused to permit a reduction of 30 percent in the price of milk. The reduction, requested by producers, was opposed by pasteurizing plants. The price will continue at 20 cents a quart. The producers, who insist there is overproduction, are planning to deliver milk by plane to Medellin, where there is a shortage.

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From the New York Journal of Commerce, July 16 -

PRICE RISE GAINS MOMENTUM, LED BY COTTON AND LIVE STOCK - The rise in the commodity price level gained momentum yesterday as The Journal of Commerce daily index hit a new peak of 239.0 as compared with 234.8 on Saturday.

Wholesale food prices again were primarily responsible for the boost-- but, even at that, there were definite signs of a divergent price trend in the food group yesterday.

While live stock and meat price shot higher, wholesale butter prices flopped sharply as growing buyers' reluctance became evident in that market. This served as the first direct reminder that in free markets prices are made by changes in supply AND DEMAND.

Grains.--The oats futures market showed the effect of the approaching new large crop. All oats futures are now substantially below the old ceiling. Corn failed to hold early advances which carried it to a new high of \$1.73 and finished with fractional losses.

Cash markets were irregular. Corn at Chicago sold as high as \$2.28 for the No. 2 yellow grade which was within 8c of the all-time high established in August, 1917. Wheat changes were fractional in Chicago and Kansas City where new crop wheat now is showing up in volume; Wheat in Minneapolis was up 5c because the harvest there is not yet in swing.

Livestock.--Cattle prices at Chicago established a new all-time peak at \$25 per hundredweight for prime cattle.

Hogs also broke through the previous high in reaching a level of \$19, highest since the end of OPA but still a good distance away from the all-time peak of \$23.60 established in 1919.

Meats.--Wholesale meat prices now are beginning to reflect the rise in live stock prices. They were up yesterday in the New York market: 6c per pound for beef and 2 1/4c per pound for pork.

Butter and eggs.--Wholesale butter prices in the New York market broke sharply as buyers were backing away. The price was down 3 1/2c and ended the day at 71c, back to where it started on the first day of free markets.

Egg futures in Chicago took another tumble, but New York cash quotations were unchanged.

Cheese prices finally were established yesterday at a level of 42c per pound, as compared with the old OPA ceiling of 35.40c.

Other foods.--Another sharp increase carried evaporated milk to \$5.25 to \$5.45 per case.....Olive oil advanced 50c to \$9.75 per gallon.....Cocoa prices stiffened further and are now 15c to 15 1/2c per pound, barely above actual replacement costs from Brazil.

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COTTON HITS LIMITS IN NEAR POSITIONS - Gains of 100 points were registered in near position of the New York Cotton Exchange yesterday under the pressure of renewed mill demand. Price broke through the 35-cent level with little hesitation, despite some fluctuations caused by profit taking.

The trade concentrated its interest in old July, October and December. Spot houses were reported buying as much as 40,000 bales. Old July, which goes off the board tomorrow, touched 35.03, the maximum permissible price yesterday, shortly before closing call. The three months ended at highs.

(Turn to page 4 for other items from today's N. Y. Journal of Commerce.) - - -

From the New York Journal of Commerce, July 16 (Cont.) -

CONSUMER SUGAR RISE SEEN LIKELY - The provision in the OPA extension bill, hooked on late last week, banning cost absorption by Commodity Credit Corp. in connection with purchase of Cuban sugar, may result in an early advance in the price of raw sugar to refiners and consequently a higher refined sugar price.

Some well-informed sources report that Secretary of Agriculture Anderson soon will instruct refiners that the refiners' price for raw sugar will be the price paid by the Government. The price to the Government currently is 4.77½c, but the refiners are billed at 4.20½c. Further rises may be necessary because of the "escalator clause" in the Cuban price on the 1946 and 1947 crops.

Specifically, the amendment to the OPA bill provides that CCC shall not absorb any increase in the price paid for Cuban sugar over 3.67c a pound; raw basis, f.o.b. Cuba, as being paid for such sugar in Cuba on June 30, 1946.

The alternate to a price rise obviously, in view of this amendment if enacted, could only be a negation of the Cuban contract, trade observers point out. For that reason they anticipate an early sugar price increase here.

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ANGLO-CANADIAN WHEAT TALKS TO BE RESUMED, London - The Evening News said today it understands that negotiations for signing of an Anglo-Canadian long-term wheat agreement will probably be resumed this week."

The news predicted the agreement would guarantee a market to Canadian farmers "over a period of about four years".

It said Food Minister John Strachey had hoped to conclude the agreement during his recent visit to Canada and the United States but found it impossible to complete administrative details in time.

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CHEESE EXCHANGE, Plymouth, Wis. - As free trading was resumed at the Wisconsin Cheese Exchange here Friday sales of cheddar cheese climbed to 40c a pound for the first time in about 3½ years.

Forty-six cars of cheese were sold, comprising over 1,000,000 pounds of cheese, the largest volume sold on the exchange at a single session since 1942.

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VISIBLE WHEAT SUPPLY JUMPS 5,690,000 BU., Chicago - Visible supply of wheat this week increased 5,690,000 bushels to 52,228,000 bushels, the Chicago Board of Trade reported today.

Corn decreased 1,402,000 to 12,258,000 bushels, oats decreased 291,000 to 2,016,000 rye decreased 73,000 to 186,000 and barley decreased 368,000 to 3,169,000.

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From the New York Wall Street Journal, July 16 -

SOARING COTTON PRICES will boost clothing costs in months ahead. Climbing above the 35-cent-a-pound level, cotton is now up about seven cents from the June 1 level. That's a 25% rise in about six weeks.

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From The New York Times, July 14 -

CENTRAL STATES-Some Cattle Experts Warn of Winter Meat Shortage-Chicago- While the pens of the country's stockyards were again heavily populated this week as a result of the expiration of the OPA and meat began flowing in increasing volume into legitimate retail channels, some experts of the livestock industry sounded this warning to American householders and restaurant patrons:

"There is not enough cattle on the ranges and in feed lots to meet the steadily mounting demand for beef, and, although meat supplies will be adequate this summer, the winter will be marked by an acute shortage rivaling the worst of the war years."

These were the views expressed by livestock experts as reported in Kansas, whose pastures, along with those of Oklahoma, will furnish a major portion of the country's summer beef supply.

Interviewed in Kansas City, Kan., Col. Jay Taylor, rancher and former president of the Texas and Southwest Cattle Raisers Association, questioned the accuracy of estimates that there were about 80,000,000 head of cattle in the country.

The figures, he said, were misleading, because they included milk cows and heifers, which contribute little to the beef supply.

Actually the country had only about 54,700,000 head of beef cattle, he said. This was a considerable increase over previous years, he added, but was not large when compared with the increase in the country's population.

Kansas farmers and ranchers, news dispatchers state, base their predictions of a winter meat shortage on their knowledge that attractive prices for meat animals following the death of the OPA are draining the country of cattle and hogs. The vanishing point should be reached within the next two weeks, stock men assert.

MIDWEST STATES-The One-Room Rural School is Passing Steadily-Omaha, July 13- Eight rural schools were sold at auction in Humboldt, Iowa, this week. The buildings will be remodeled into homes. Some miles away, residents of another Iowa community were trying to decide whether Minden School District No. 2 should be consolidated.

These examples, two among hundreds throughout the Midwest, foretell pretty plainly the ultimate doom of countless rural schools. The one-room country institution, of revered memory among many city dwellers, is on its way out.

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From The Milwaukee Journal, July 11 -

BREWER FINDS FARM JOB TOUGH, INVENTS MACHINE- The versatile Fred Gettelman, sr., the brewer, has turned inventor again.

Gettelman Wednesday demonstrated his novel farm tillage machine before a group of agricultural mechanical engineers and agronomists of the Wisconsin college of agriculture on a weedy farm north of Milwaukee.

The machine worked swell.

He put a 30 horsepower motor on top of a steel frame chassis and equipped it with a hydraulic lift. For power he used a series of chain drives on sprocket gears to the rear end, where there is a 12 foot worm gear. Attached to this rear gear is a series of a dozen case hardened big augers, turning in alternate twists to prevent side play.

Tractor drawn, the machine wheels down a patch of thick thistles and weeds, each auger digging deep and twisting up the weeds, and smaller stones to the surface. The swath is 12 foot wide and Gettelman said there is power enough for putting another dozen augers on a bigger machine, a 24 foot sweep.

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From The Kansas City Times, July 11 -

AS THE OPA FADES OUT-Editorial-It now seems increasingly improbable that the OPA will be revived except in a quite limited way, with rental and a few other ceilings imposed for another year.

The country now has a pretty fair idea of what that would mean. The total absence of controls for the last ten days has not brought the disaster that had been predicted. The sun has continued to rise and millions of people have gone about their business almost as usual.

There has been price advances, some of them perhaps justified and some doubtless not. These have affected rentals, food and other things, when in many cases it would have been better to wait and see what was done about controls and to give production and the free play of economy a better chance. But some of the increases have not held and it is not certain that others will hold for any considerable period.

It is quite possible that the country already has gone through the worst part of the confusion and readjustment bound to come no matter when the greater part of the controls might be removed. A majority of the Senate and perhaps of Congress as a whole is beginning to see it that way and the outlook therefore is dark for a revival of anything beyond the limited controls. It might not even be those if the President elected to veto the bill that Congress sent over.

Meat and various other food ceilings appear certain to remain off. But the important fact is that meat is beginning to reappear in the retail stores and that it once more can be bought without a prolonged and trying search. The OPA controls served largely to promote the black market, higher prices and a scarcity as well. People by the millions who attempted to buy meat know this to be a fact.

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From The Washington Evening Star, July 13 -

FAMINE RELIEF RECORD-Editorial-Every American citizen who ate a little less, every member of the food producing, handling and serving industries who practiced conservation, all, in short, who joined in the Nation-wide campaign to avert starvation abroad, will derive great satisfaction from President Truman's announcement that America has more than made good on its famine-relief pledges. Upholding its traditions as a humanitarian Nation, the United States not only has shipped to famine-threatened areas the minimum of 400,000,000 bushels of food grains promised when the "belt-tightening" drive was started, but expects this month to reach the 417,000,000-bushel total set as a hoped-for goal.

Secretary of Agriculture Anderson reduced the statistics to simplified proportions when he reported to the President that of all food distributed from American supplies during the fiscal year which ended June 30, one out of every six pounds went over-seas. Foreign countries received more than 40 per cent of our wheat, more than 35 per cent of the rice, more than 20 per cent of the cheese, more than 10 per cent of fats and oils and about 6 per cent of the meat.

Both the President and the Secretary of Agriculture caution the American people that the time has not yet come to abandon the food-conservation program, however. The deliveries already made have forestalled the threat of immediate starvation, but the future picture is shadowed with uncertainty. All in all, the need for further food saving to allay hunger in countries still suffering from food shortages remains urgent. Weighed against that need, continued belt tightening is little enough to ask of sympathetic Americans.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service Room 409A. Phone Gene Harrison at 6212.)

From the New York Times, July 17, 1946 -

OPA TO CONFEREES; HOUSE BARS A VOTE ON THE SENATE BILL - Washington - Senate-House conferees met late today to consider fashioning a price control bill that Administration leaders hoped would be satisfactory to President Truman, but recessed until tomorrow without coming to any decisions.

The measure was referred to conference by the House after a group of Republicans failed in an attempt to send it straight to the White House in the same form in which it was passed by the Senate just before 2 A. M. Saturday.

This measure removed meats, dairy products, gasoline, grain and many other items from price control, renewing the Office of Price Administration with restricted authority until next June 30. A House-adopted resolution had provided for reviving the agency until July 20 of this year with the same powers it had when it expired June 30 in consequence of the President's last-minute veto June 29 of the original extension bill.

Today's move to keep the issue out of conference was nipped by a House vote of 211 to 64 against permitting a test to be taken on acceptance or rejection of the Senate measure. No roll call was taken, but in the standing vote more than half of the Republicans joined all Democrats except Representative E. C. Gathings of Arkansas in defeating the proposal. By a voice vote, the House then sent the bill to conference.

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UAW ASKS STRIKE FOR WEEK ON MEAT - The United Auto Workers, sponsoring a national "people's rally" against the upswing in living costs, called last night for a week-long meat buying "strike" by the American public, the Associated Press reported.

Before a cheering, shirt-sleeved Detroit crowd, Walter P. Reuther, president of the union, urged a meat buying strike as a means to "terrorize profiteers" and to restore "reasonable prices." The proposed strike would start today.

(The first break in soaring meat prices since Government controls were abolished was revealed yesterday as a sharp decline in retail and consumer buying coupled with accumulating stocks reaching New York City found wholesale markets "glutted" with beef and pork and top prices down from 5 cents to 9 cents a pound. Wholesale poultry prices also were down 2 cents a pound and butter dropped another half-cent for a total decrease of 3-1/2 cents a pound since Monday.)

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CUBAN SUGAR DEAL SIGNED - Havana - A contract for the sale of Cuba's 1946 and 1947 sugar crops was signed for the United States tonight in President Grau's office by the Secretary of Agriculture Clinton P. Anderson, and James Marshall, chief of the sugar division.

Two clauses inserted at the last minute provide that the United States will not adopt legislation affecting Cuban sugar and that Cuba may rescind the contract should such legislation be enacted.

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(Turn to page 2 for other items from today's N. Y. Times.)

From the New York Times, July 17, 1946 (Cont.) -

PRICE SITUATION SPOTTY IN CAPITAL; HOUSEHOLDS BEMULDERED BY STATISTICS - Washington - In the big broad field of rising prices, the situation was normal for Washington today, that is, considerably confused.

The Republican Food Study Committee issued a statement that the actual cost of food to consumers in the District of Columbia had gone down in a half-month without the OPA. Representative Howard Smith, of near-by Virginia, complained that prices had gone up as much in the past two weeks as in the two preceding years. Experts at the Bureau of Labor Statistics said that not sufficient evidence is in to show exactly what has happened to the cost of living, and withheld any interpretation of the data they had.

However, sharp upward curves were taking form on the drawing boards of the chart makers at the Bureau of Labor Statistics. One such graph representing spot market prices in 28 basic commodities; that is, raw materials, showed a 33 percent increase from August, 1945, to July 12, 1946— and two-thirds of this rise was between June 29 and July 12 of this year, the first twelve days after price controls were lifted. Another curve showed a 4 percent increase in wholesale prices in one week without price control, compared with only a 10.8 percent increase in the twelve months to the first week of July, 1946.

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6,000,000-TON GOAL MET IN GRAIN RELIEF - Washington - The Department of Agriculture today posted a notice on its bulletin boards that, as of noon yesterday, the goal of shipping 6,000,000 tons of bread grains overseas in the first six months of this year had been reached.

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SELECTIVE PRICE CONTROL - Editorial - Serious as some of the defects of the Senate bill are, it would be both an economic and a political error for the House conferees to try to get Congress to pass a bill attempting to restore the kind of over-all price controls in existence until the end of last month. OPA was inexcusably dilatory in not decontrolling more rapidly than it did. From this time out, the only kind of price control likely to do more good than harm on net balance would be a selective price control of key items. If the conferees draft a bill instructing OPA to list specifically the commodities that are both important in the living costs of low-income families and in seriously short supply, and confining price ceilings to those items alone, they will frame the only kind of price control bill likely at this time to be acceptable as workable.

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7 RAILROADS SUED IN FREIGHT DELAYS; U. S. ATTORNEY ACTS TO SPEED SHIPMENTS TO FAMINE AREAS IN EUROPE - In an effort to speed up rail shipments of grain to the Port of New York for trans-shipment to famine areas of Europe, United States Attorney John F. X. McGohey filed civil suits yesterday against seven railroads having terminals in the harbor area.

The suits charge laxity in unloading box cars in violation of an emergency order issued last November by the Interstate Commerce Commission that requires the unloading of box cars within ten days of arrival of their destination. Penalties of \$121,550 are asked.

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From the New York Journal of Commerce, July 17 -

PRICE LEVEL ADVANCE SLOWS AS DIVERGENT TRENDS APPEAR - The Journal of Commerce daily index rose from 239.0 to 240.5 as live stock prices reached new peaks, while cotton and grains declined. Evidence is mounting that OPA or no OPA, commodity markets have no intention of losing sight of actual and potential supply prospects in setting the course for prices.

Grains.—Supply trends are having their effect on prices: corn futures reflecting the prospect of record crop tumbled the permissible limit of 5c for the day, in Chicago, while cash corn advanced another 1 3/4.....Cash wheat in Kansas City and Chicago reflected larger new crop arrivals in lower prices, while Minneapolis prices still were going higher....Cash oats dropped 2c in Chicago, but nosedived 8c in Minneapolis when new oats arrived there ahead of the usual schedule.

Cash rye was quoted for the first time since the end of OPA. The price at Minneapolis for arrival at Aug. 10 was put at \$2.45. This compares with a level of slightly above \$1.50 when the controls ended.

Corn products.—Prices were raised sharply to compensate for recent advance in cash corn.

Livestock.—New highs were established in Chicago. Prime cattle hit a new peak of \$25.75. Hogs moved up to a new top price of \$20.50. Most transactions yesterday were at \$20, but even that was up \$1 for the day.

Meats.—Supplies of beef and pork were liberal and New York wholesale prices were reduced substantially for higher grades. The range for beef yesterday was from \$31.50 to \$46 per hundredweight, as against \$31.50 to \$52 on the day before. Pork yesterday ranged from \$29.25 to \$45, .8....., compared with \$29.25 to \$48 on Monday.

Other foods.—Butter sagged further to 70 3/4c to 71c.....flour is now being quoted at a range from \$5.35 to \$5.60.....Live poultry was unchanged to 1c higher while dressed poultry was down 1/2c to 1c and was quoted at 34c to 40c.....fireworks marked the egg futures market in Chicago. First there was another limit drop but prices then snapped back to the opening level on short covering. There was a record turnover....Rice settled back to a level of 12c to 14c, or approximately double the old ceiling.

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CURB ON COTTON SPECULATION NECESSARY TO HOLD THE LINE - The sincerity of primary cotton goods distributors in trying to continue to flow of goods to customers under an equitable pricing policy is apparent in any discussion with selling house executives.

Prices that have been announced thus far represent advances of 10 to 20 per cent over the defunct OPA ceilings, with the majority close to the 10 per cent level. They have been arrived at by making the necessary adjustment for current raw cotton cost as against the cotton cost figures of 26.40c used by OPA in computing the old ceilings.

However, there are outside influences that must be taken into account and which are currently causing grave concern among mill and selling house interests. These are (1) the active speculation that is pushing up the price of raw cotton, and (2), the fear that some fabricators and distributors may use the present situation to exact higher prices for garments and apparel.....

The vast majority of mills and selling houses would prefer to see an orderly market for raw cotton. The price gyrations of the past ten days are causing shudders among the oldtimers who still recall vividly the events of early 1920. Heavy speculation in raw cotton accompanied by rising cloth prices and gray goods speculation led to the inevitable collapse that must follow such a trend.

(See page 4)

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From the New York Journal of Commerce, July 17 (Cont.) -

SEE ANGLO-CANADIAN PACT ON WHEAT BY JULY 31 - Ottawa - Reports here indicate that the Anglo-Canadian wheat agreement will be signed by July 31.

It is understood the pact will cover four years instead of the ten-year period originally sought by Britain, with a fixed price of \$1.35 a bushel basis No. 1 Northern at the head-of-the-Lakes for the first two years, and no ceiling price for the second two years but probably a floor price.

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From the New York Wall Street Journal, July 17 -

ANDERSON ASKS ICC FOR WASHINGTON RAIL RATE HEARINGS, Washington - Clinton P. Anderson, Secretary of Agriculture, petitioned the Interstate Commerce Commission to hold a Washington hearing on the plea by the nation's railroads for a general freight rate increase of 25%.

The petition declared that the Department of Agriculture plans to present detailed testimony on the rail movement of agricultural products. The testimony will be given by the Secretary and by other officials "whose presence in Washington is of utmost importance."

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BRITAIN HAS ENOUGH COTTON TO AVOID BUYING FUTURES, London - Lifting of price controls in America and sharply rising prices for the American staple will not make it necessary for Great Britain to deal in cotton futures to obtain British requirements, Sir Stafford Cripps indicated in the House of Commons.

He declared that large stocks of cotton are held by the British Cotton Control Board in Britain and in certain overseas countries. Further purchases will be made from time to time in the light of requirements and market conditions, he said. These supplies, he stated, "can be secured without the Control Board dealing in futures."

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EASTERN SUGAR ASSOCIATES - Eastern Sugar Associates, leading Puerto Rican sugar producer, is expected to earn around \$8 a share on the 107,736 outstanding preferred shares for the fiscal year ended June 30, 1945. This will compare with 13 cents a preferred share in the previous year. Profits from operations this season were restricted by high costs and unsatisfactory crop results, despite a higher price paid for the island's 1946 crop by the Commodity Credit Corp. However, Eastern's earnings for the 1946 fiscal period will be augmented substantially by government subsidy payments on the latest earnings statement. These payments, amounting to about \$500,000, were deferred because the company did not at first go along with other island producers in selling the 1945 production to the government....

Eastern Sugar is contesting the legality of the land reform laws passed by the Puerto Rican legislature. It has challenged the authority of the Puerto Rican Land Authority to take over lands on the island of Vieques, owned by Eastern.

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From The Boston Herald, July 13 -

OPA PROS AND CONS-Editorial-Various arguments in advocacy of the re-enactment of an all-out OPA overlook some fundamentals. The fact that widespread regulation is to continue in Canada is of no particular significance in our country, as the Canadian population is less than a tenth of ours, the domestic economy is less complex, and administration is a great deal easier. Nor can we argue safely from the example of England, which is desperately hard up financially and depends on imports for a large part of her foodstuffs.

Moreover, short crops, wage increases, tariff schedules, depleted reserves and other factors must fairly be considered in explaining increases in prices. That lower levels can be maintained in an artificial, tightly policed market than in a freely operating one can be demonstrated easily enough; but proof that such control is wholesome and equitable in a democratic society and works to the social, economic political and financial advantage of the rank and file of the people is another matter.

As many Congressmen have pointed out, the OPA was breaking down. Black markets were flourishing and the people in the lower-income brackets were the victims of this tolerated illegality. The many fines imposed and even the jail sentences were having no more effect than raids in the final period of the Volstead Act. Uncle Sam could not possibly put enough agents in the field to enforce the old OPA regulations.

The excesses which may develop under a carefully-drawn OPA measure which will make a maximum number of exemptions are not likely to be nearly so harmful as the evils which developed under the old law.

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From The Memphis Commercial Appeal, July 12 -

HEMBREE'S DISCUSSION OF NEED FOR MECHANIZATION OF COTTON FARMS HIGHLIGHTS RESEARCH CONGRESS-One of the most important and at the same time one of the least publicized papers read at the Cotton Research Congress at Dallas was one prepared and given by Joel F. Hembree, Bureau of Research, University of Arkansas. His technical discussion of the geographic, technological and economic bases of a sound production policy lacked the popular appeal that is expected of newspaper reading. On the other hand no message delivered at the meeting was the subject of greater interest or wider discussion by those who heard it. His final conclusion is that mechanical farming not only is necessary, but that it is entirely feasible.

His showing of how the climatic belts of the earth affected the growth of crops, was followed by a discussion of soils and then developed the efforts of man to increase his agricultural output through the use of machinery.

He compared the yields of corn in the South and the Middle West and explained why climate and soil made for better and more efficient corn farming farther North, even though some corn is grown in the tropics.

He showed how the amount of labor involved in producing a bale of cotton is too great for the return received.

Much of the lag in agriculture represents lack of mechanization. Cotton can be placed on a competitive basis with synthetics at home and the foreign market for cotton retained through mechanized production. If mechanization does not come, cotton growing as a major enterprise, because of the excessive amounts of hand labor required, may come to an end.

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From Chicago Journal of Commerce, July 13 -

FERTILIZER SHORTAGE SEEN EVEN IF 13-MILLION-TON GOAL IS MET-New York-Even if fertilizer production slated for the coming year reaches its goal of more than 13,000,000 tons, about double the prewar level, supplies available to the United States probably will fall short of estimated requirements by about 6 to 10 per cent, the industry estimate tonight.

Because the sizable world deficit in the three principal types of fertilizer -- potash, nitrogen, and phosphates -- also affects the United States supplies, regardless of domestic production, under a world allocation plan of the combined food board, domestic deliveries are not expected to fulfill requirements for three to five years, it is believed.

Various factors have contributed to this paradoxical shortage: Increased United States food production, shiponing off of domestic fertilizer production by UMRRA, additional demands for fertilier from United States commanders in Germany and Japan and a recent government soil conservation program which has increased fertilizer requirements generally.

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From The Salt Lake Tribune, July 12 -

PRICE CONTROL FRAUD INVITES NEW VETO-Editorial-President Truman was right when he vetoed the so-called price control bill. As the new legislation on the same topic is emerging from the Senate he must, to be consistent, perform the same operation. The measure is nothing but a tattered excuse for price control, hampered as it is with crippling amendments and prohibitions against setting ceilings on almost everything that goes into the cost of living.

With control banned on important food items and textiles, there is no point in keeping rent control under the direction of the government. Such curbs as will be needed can be, and have been in some states, legislated and enforced locally. To preserve an OPA organization with its hands tied is neither wise nor expedient. Nor does it deceive consumers or constituents. Why keep alive a federal agency without a policy or power to enforce a policy if it had one?

If the price control bill goes to the president's desk in the mangled form it now promises, Mr. Truman will be compelled, in common fairness and justice, to veto it.

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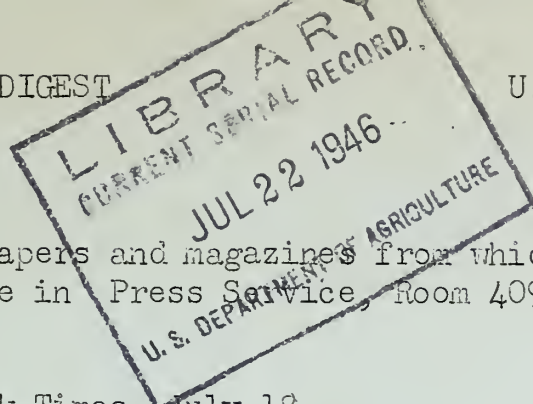
From The Memphis Commercial Appeal, July 12 -

FARMERS BILKED-Editorial-West Tennessee farmers are getting about one dollar a bushel for a fine crop of tomatoes which are bringing \$6 to \$7 a bushel on Northern and Eastern wholesale markets. The fact moved F. H. Paschal, farm extension agent of Lauderdale County, to say in part: "I'm not prepared to say officially who is getting the vast difference between the amounts farmers are receiving and consumers are paying for tomatoes, but I do know something is radically wrong with the marketing system that permits such a gross inequity to flourish." He went on to say that persistence of such a spread would tend to undo much of the good work that has been accomplished in the matter of securing diversified farming in the cotton belt.

The farmer is obviously being bilked and in the long view and the final analysis that is what counts in the connection. Pretty obviously there is an artificial block somewhere along the line between a fair profit for the producer and a fair price for the consumer. The really reputable business people concerned would be wise to take their own steps to remedy such injustices.

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July 18, 1946



U. S. DEPARTMENT OF AGRICULTURE
Office of Information
Washington 25, D. C.

(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From the New York Times, July 18 -

OPA TALKS STALLED WITHOUT DECISION; TAFT BARS CHANGES - Washington - Absenteeism among Senate delegates prevented joint conferees from getting down to business today on the task of writing a price control bill acceptable to both branches of Congress and President Truman.

With the majority leader, Alben W. Barkley of Kentucky, conference chairman, and Senators Sheridan Downey of California and George L. Radcliffe of Maryland, Democrats, occupied on the Senate floor most of the day the rest of the conferees gave up at mid-afternoon, after inconclusive discussions of possible compromise decisions.

One tentative proposal, according to reliable sources, was for elimination of an Administration-approved clause in the Senate bill giving the Office of Price Administration discretion in applying a formula which would permit producers to realize the average 1940 price of every item plus average increase, in its production costs since that time.

Its elimination, according to one conferee, was discussed as a possible bargaining point for additional votes in support of Administration efforts to strike out Senate exemptions from price control of specific commodities such as meat, butter, eggs, milk and other "market basket items."

However, Robert A. Taft of Ohio, senior Republican member of the Senate delegation, who said he planned to seek elimination of discretionary clauses, was in no mood for compromise.

"Of course, the President would sign the bill if we put such things as meat, eggs and butter back under controls," he asserted. "I have no desire to compromise the bill. If the President wants to veto it, then let him veto it."

HOOVER SEES FOOD BASED - Chicago - Former President Herbert Hoover, who recently completed a survey of the world food situation at President Truman's request, said today he expected "acute" food shortages in "the starving countries" to be ended by August.

HIGH COTTON PRICES FORECAST IN SOUTH - New Orleans - Talk of 40 and 50-cent cotton is being heard throughout the South in the belief that controls of the old Office of Price Administration are off the market for good and recognition of the fact that 35 cents a pound has just been passed for the first time in more than a score of years.

Discussing the crop, which today is worth a potential \$300,000,000 more than on June 1, J. E. McDonald, Texas Commissioner of Agriculture, predicts that the price may soar as high as 50 cents a pound within a few months.

Another commissioner, Tom Linder of Georgia, comments that "cotton is cheap up to 50 cents a pound." He says: "Keep your eyes open and you will see 40-cent cotton within thirty days."

(Turn to page 2 for other items from today's N. Y. Times.)

Farm Digest 1565-46

From the New York Times, July 18 (Cont.) -

RESISTANCE RISES TO HIGH FOOD COST - Buyers resistance to higher food prices was rising here yesterday among dealers as well as consumers, according to reports from many branches of the industry.

In the continued absence of any price controls, meat was more plentiful here than at any time during the last several years, but butchers and housewives seemed increasingly wary of making purchases, it was noted by the United States Department of Agriculture and other observers.

The Greater New York CIO Council, representing 600,000 workers in 300 local unions, scheduled a special meeting tonight to discuss fullscale participation in the city-wide buyers' strike demonstration that several other groups have set for Tuesday.

That the upward price trend is continuing--with a few marked exceptions--was shown in reports from Western primary markets. Although the cattle market in Chicago, because of heavy shipments, experienced the largest price collapse in several years, the phrase "modern price record" reappeared in the case of cattle at Omaha and top-grade beef at St. Paul.

Hope for a real break in the trading was seen by industry spokesmen here who pointed to diminishing demand for Western dressed meats because of high prices and to the recent tendency toward lowered prices for butter.

Just as consumer reluctance to buy has encouraged butchers to wait for lowered costs, wholesalers here may send down prices for live animals by holding back on orders, it was said by Joseph Cohn, president of the New York Council of Wholesale Meat Dealers.

Noting that the council's members have more meat than in many months, Mr. Cohn disclosed his dispatch of wires to the Congressional conference committee on the revised bill to renew price controls. If meat is not exempted from any future bill, black market operators who have been losing out lately will again take over the industry, he contended.

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COMMODITY RISE IS 25.2 FOR JULY - Washington - The Bureau of Labor Statistics index of twenty-eight basic commodities rose .3 percent to 249.7 today, a total rise of 25.2 percent for July. The day's percentage increase was the lowest since OPA controls expired.

The index showed price increases for hogs, lard and shellac, with decreases in wheat at Kansas City, corn, butter, cocoa and cotton.

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BAKERS IN BRITAIN TO DEFY BREAD RATIONING; SAY IT WON'T WORK - London - Britain's bread-rationing plan appeared today to be seriously endangered by the determined opposition of the bakers.

On the eve of the big bread-rationing debate in the House of Commons tomorrow when Winston Churchill is expected to lead a strong attack on the Labor Government's plan, and only four days before it is scheduled to come into effect, 1,500 bakers met in London this afternoon and denounced the bread-rationing plan as unworkable and demanded its postponement.

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LUNCH PROGRAM AIDED - Trenton - An agreement was signed today by New Jersey and Federal authorities allocating \$1,112,000 to this State in a national school lunch program. The money will be distributed to school districts and non-profit private schools which match their grants dollar for dollar.

From the New York Journal of Commerce, July 18 -

MARKETS SLACKEN TO AWAIT NEW PRICE CONTROL ACTION - While the Journal of Commerce daily index of commodity prices made a new high of 242.5, the gain for the day was held to slightly over one per cent. Hogs and meats again led the rise, with lard and linseed oil firm and higher. Raw cotton and grains dropped and prices were shaded for butter, cocoa, and turpentine.

Grains.--Uncertainty over price control developments slowed down the pace in futures markets yesterday. Corn futures sagged at the close after erratic swings during the session. Oats, however, firmed up and ended the day $\frac{1}{4}$ c lower to $\frac{5}{8}$ c higher. Trading was at a standstill in barley. Cash grain prices receded as the supply picture continued to point to bumper crops.

Livestock.--Prime cattle once more hit a new all-time high, moving up to \$26.35, a gain of 60c for the day. The "little" pigs that went to market yesterday hit a new top price of \$22 in Chicago, but the top in otherweights was 50c lower. Demand dipped sharply as the market glutted.

Meats.--Pork and beef ranges narrowed further yesterday because the lower grades moved up. Western dressed beef sold at \$34 to \$46 per 100 pounds, compared with \$31.50 to \$46 on Tuesday. Pork shoulders were quoted at \$29.75 to \$45, against \$29.25 to \$45 the previous day. With supplies of meats the largest in years prices appear to be settling to consumer demand.

Other foods.--Fear of a rollback brought out freer offerings in butter shading the price to 70 $\frac{3}{4}$ c, compared with the former range of 70 $\frac{3}{4}$ c to 71..... Cash lard climbed up 1c at Chicago, to 24c a new high for the current move. Consumer resistance forced evaporated milk back to a range of \$4.80 to \$5.45 per case.... Tomatoes on first sales of 1946 pack were quoted \$2 a dozen, double the old ceiling price.

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COTTON PRICES LEVEL OFF - The futures market settled around 34.50 in a fluctuating session on the New York Cotton Exchange yesterday as traders awaited the outcome of the conference committee acting on the price control reestablishment bill.

Another feature of the session was the widening of gaps between months in the new crop and a narrowing of the differential between the 1946-47 crop and the 1947-48 crop. In the approaching crop, the December, 1946, position was almost unchanged in price, emphasizing its strength while all other positions fell off 5 to 9 points. In the 1947-48 deliveries, no losses were recorded at closing. It was noticed that at daily high, October, 1947, rose 21 points above previous close, a significant feature when it is observed that no other month rose more than 3 points at highest above previous close.

The causes of these movements were attributed to internal market factors. The recent wave of risk-capital entering the futures market has turned nervous, moving in and out on recessions and advances. Orders to sell are executed on the top of every 50 point advance and then to buy again on 50-point declines.

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From the New York Wall Street Journal, July 18 -

CURRENT OUTLOOK FOR ARMOUR & CO. HELD ENCOURAGING, Chicago --George A. Eastwood, president of Armour & Co., told stockholders at a special meeting yesterday that the company's immediate prospects are encouraging. He cautioned them, however against "false optimism" over earnings for the entire fiscal year on the basis of the net profit of \$9,758,000 reported for the six months ended April 27, which was larger than the earnings for the entire fiscal year ended October 27, 1945.

(See page 4)

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Farm Digest 1565-46-3

From the New York Wall Street Journal, July 18 - (Cont.) -

CUBA GIVEN PROTECTIVE CLAUSES IN SUGAR CONTRACT, Havana - A contract covering the sale of Cuba's 1946 and 1947 sugar crops to the Commodity Credit Corp. was signed last night at the office of President Grau.....

Provisions were inserted in the contract...giving Cuba the right to cancel the contract if the U. S. Congress passed legislation considered by Cuba to be harmful to its sugar industry. Cuba agreed, however, that a one-year extension of the U. S. Sugar Act of 1937 would not be considered harmful. This law established quotas for all countries shipping sugar into the United States.

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HOG PRICES TOO HIGH SAY PACKERS, Chicago - About 2,000 hogs remained unsold at the Union Stockyards, Chicago yesterday. Trade sources laid the first holdover of hogs since the elapse of C.P.A. to resistance by packers who believe prices are too high, when choice loads are bringing \$22, highest price paid since 1919. Prices opened \$1.50 to \$2 higher but closed dull with about half the advance lost.

Pork sales.....are slow, too, with plenty on hand after the flush hog runs of the week after the end of the pricing agency.

Another source believes most hogs left over are poorer grades than have been sold to speculators who will try to dispose of them at better prices today.

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From the New York Herald Tribune, June 18 -

GROCERS TURN TO CO-OPERATIVE BUYING GROUPS - Independent retail grocers, preparing to meet stiff competition from chain stores for the grocery dollar when conditions return to normal, are swinging over in substantial numbers to co-operative buying groups and in a short time more than half the nation's independent food stores will buy through co-operatives, according to a survey just completed on a national basis.

The survey, based on replies from 1,261 members of the National Association of Retail Grocers in thirty-nine states and the District of Columbia, shows that a national average of 39.4 per cent of independent grocers now belong to co-operative buying groups and that 14.9 per cent more are preparing to join such groups. Thus, 54.3 per cent of all such grocers will soon belong to co-operative buying groups which they will own and control.

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HOUSE COMMITTEE SEEKS TO SPEED WOOL MEASURE, Washington - Faced with prospects of an early adjournment of Congress, the House Agriculture Committee sought today to speed action on legislation to continue the government wool purchase program. Headed by Representative D. Poage, Democrat, of Texas, a sub-committee opened hearings on a wool bill which only yesterday was approved by the Senate Agriculture Committee and still must be considered on the Senate floor.

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From The Kansas City Star, July 14 -

STILL NEED GRAIN CARS-Hays, Kas, (AP)-The box car shortage in Northwestern Kansas is just as critical as it was a week ago, results of a field survey disclosed today.

All along the Union Pacific railroad from Collyer into Colorado, long lines of trucks are standing in front of country elevators awaiting cars, and wheat still is stored on the ground on at least half of the farms. Similar reports were received from points along the Rock Island railroad in extreme Northwestern Kansas.

With the harvest about 75 per cent completed, the problem is reaching its critical stage. Yet car arrivals are no greater than last week. At thirteen elevators only eleven cars were received for the day, compared with needs of five times as many.

At Grainfield, where 60,000 bushels are stored on the ground, fifteen trucks, containing about 200 bushels each, stood in line awaiting three cars, capacity of which is about 1,800 bushels each.

Farmers who still are cutting wheat are piling it on the ground, while those who have completed harvesting are loading their trucks and taking the grain into the towns to wait in the long lines for the arrival of grain cars.

Grainmen said ODT and railroad estimates of the amount of wheat stored on the ground were much in error as they do not include wheat stored on farms, taking into account only grain piled around elevators and railroad sidings. Wheat is stored on at least half the farms, a survey by a Hays reporter disclosed. Piles may be seen on farms all up and down the road.

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From The Boston Herald, July 13 -

SUBSIDY LOSS HIKES PRICES-Blame the rising cost of food, in part, at least, on the withdrawal of government subsidies which were "hidden" from the public and even the trade.

Yesterday for the first time Boston food dealers learned the full extent to which the public has been paying its grocery bills in taxes through federal grants to producers, bills that must now be paid in cash direct to the dealer.

"Of course, we knew that there were subsidies," one wholesaler said, "but we had no idea of their amount or the range of products they covered. Even now, we have only a partial list, but it is most enlightening in view of the complaints of food buyers.

"The skyrocketing prices, as they have been called, reflect in many cases little more than the former ceiling prices plus subsidy. The public was paying the high prices right along, but did not know it. So prices of food are going up not because the OPA controls have been taken off, but because the subsidies have stopped."

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From The Atlanta Constitution, July 13 -

WARNS OF DANGER IN FARM PRICE RISE-A warning of "grave economic danger" in the fast rise of farm land prices has come from I. W. Duggan, of Washington, Governor of the Farm Credit Administration.

In Atlanta yesterday, Duggan revealed that farmers throughout the nation are in good financial condition, with the farm mortgage debt lower than it has been since 1915.

Farm real estate values throughout the country rose 13 percent during the year ending March 1, 1946, the official said. He reported farm land values in Georgia today are 91 percent higher than they were in the period from 1935-1939.

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Farm Digest 1565-46-5

From The Davenport (Ia.) Democrat and Leader, July 15 -

BUT WHEN THEY DROP!-The higher it goes, the farther it falls. That is as true of the price level as of a ball or elevator. The really wise manufacturers, retailers, farmers, cattle-raisers, should all recognize that fact. It's up to them to hold prices within bounds, or there will be a stiffer OPA than we have known in the past.

Everybody recognizes that some day -- it may be next year, or two years from now, or longer -- prices will fall as a result of more production and less consumer demand. A slight price drop can be taken in its stride by the American economic machine. A big price drop will mean trouble.

What caused so much distress in the first depression after World War I was the fact that prices had gone so high that the fall was terrific when they sought their postwar level. Producers and merchandisers alike took heavy losses on what they sold, and they had to sell.

Wheat on the farm was selling at \$2.56 in June, 1920. By January, 1922, it had fallen to 95 cents, a 63 per cent collapse. During the period, corn on the farm fell from \$1.85 to 44½ cents, no less than 76 per cent.

Cotton fell from 37 cents to 16 cents, and the South was in trouble. Cattle dropped in price over 2½ years by almost one-half, hogs by almost 60 per cent. Wool went down almost three-fourths, and potatoes -- believe it or not -- by all of 85 per cent.

The higher they rise, the farther they fall.

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From St. Paul Pioneer Press, July 15 -

OPA VERSUS THE CONSUMER-Editorial-Consumer resistance to the stiff price increases of butter and meats that have followed the ending of price ceilings is the housewives' vital and natural defense against runaway inflation. Such resistance benefits producers as well as consumers every time that, together with rising production, it heads off a skyrocketing and subsequent crash of prices that would be demaging all around.

But the OPA's attempts to make political capital out of that normal consumer resistance and the calling of organized strikes to influence Congress to restore OPA ceilings are a much different matter. Those attempts and strikes should stir up searching questions as to the realities about consumer relations to the OPA.

Price is the consumer's main instrument in a free market of telling producers about consumer needs and wants. As a result of myriad consumer actions in an extraordinarily sensitive market, the changing price says plainly to producers, "produce more of this and less of that, hurry up supplies here, and slow them down there." Thus the composite demand of the consumers themselves governs prices.

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From San Francisco Chronicle, July 13 -

INCREDIBLE BUT TRUE-Editorial-No wonder the Senate galleries laughed when Senator Glen H. Taylor of Idaho charged yesterday that Republicans "are trying to cripple OPA."

The Communist party line on OPA is to retain the agency intact and give it more strength. This is no secret; Senator Taylor can find it out in the open on the first page of any issue of the Daily Worker. Even with his eyes shut, the Senator could divine the fact by listening to the outcries going on about him. The Chronicle favors retention of OPA in modified form and a gradual decontrol procedure, and doesn't consider vitally important how the Communists feel about it.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From the New York Times, July 19 -

SENATE CONFEREES BALK AT REMOVING OPA EXEMPTIONS - Washington - Getting down to business after two days of inconclusive discussions, Senate-House conferees promptly became deadlocked today in their first vote on the price control bill.

The Senate delegation, however, appointed a three-man subcommittee to draw up a compromise proposal for submission to the joint conference tomorrow. There was some optimism over the prospect of agreement at that time on legislation that would be acceptable to both branches of Congress and President Truman.

Today's vote found a majority of the House delegation insisting on elimination of two sets of Senate provisions. One would exempt meat, milk, butter and a number of other items from price control and the other would give the Office of Price Administration discretion in applying a formula for setting producers' price ceilings.

A majority of the Senate conferees refused to yield on either issue, thus precipitating what one of them called a "complete stalemate."

A subcommittee composed of Senators Robert A. Taft of Ohio and Charles W. Tobey of New Hampshire, Republicans, and George L. Radcliffe, Democrat, of Maryland, was then appointed to draw up overnight a counter-proposal to the House conferees' position.

The subcommittee's assignment, it was understood, was to modify both the exemption provisions and the discretionary clause so that they would meet the approval of both sets of conferees with the hope that they would also be acceptable to the Senate, House and President Truman, whose veto June 29 of an earlier price control bill resulted in the OPA's expiration the following day.

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BILL ASKS RATIONING VITAL COMMODITIES - Washington - Authorization for the President to ration "any commodity which the health and welfare of the community requires" was proposed today in a joint resolution introduced by Representative Joseph C. Baldwin, Republican, of New York.

The commodities are beef, poultry, eggs, milk and grain, which are under a Senate-approved amendment to the pending price control extension act, exempted from price control.

Mr. Baldwin also proposed that Mr. Truman's rationing powers be extended to include "all products processed" from the five he specifically named.

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OATS FUTURES OFF; CORN IS ALSO DOWN - Chicago - Although sentiment in the oats market was less unanimous today than yesterday on the Board of Trade, the close on futures was 3/8 to 7/8 cent a bushel lower after the July and August had shown independent strength, partly due to buying attributed to cash interests, presumably against export business. Corn, however, showed an easy undertone throughout the day and lost 2-1/4 to 2-1/2 cents. Barley futures were bid up 1-1/2 cents without attracting offerings.

(Turn to page 2 for other items from today's N. Y. Times.)

From the New York Times, July 19 (Cont.) -

COTTON PRICES RISE IN GAMBLE ON OPA - Growing belief that price controls and the Office of Price Administration may never be revived stimulated buying of cotton futures yesterday on the New York Cotton Exchange and closing prices were at the best levels of the day, 89 to 100 points not higher than on Wednesday.

Four months advanced the limit of 100 points permitted in one day's trading by the Exchange, while on the close there was a fairly large volume of unexecuted orders at the ceiling prices for the day.

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COMMODITY PRICES UP BY 3% IN WEEK - Washington - Primary market prices rose 3 percent during the week ended July 13, the second week of uncontrolled prices, due to sharp advances in foods and some industrial commodities.

The wholesale price index of the Bureau of Labor Statistics, rose to 120.7 percent of the 1936 average, more than 14 percent higher than at the end of the war in August, 1945. In the first two weeks following suspension of OPA controls, the index increased 7 percent.

Following the sharp advances of the previous week, average prices of farm products rose 0.7 percent as higher prices of milk, eggs, and cotton more than offset lower prices for grains, livestock and poultry and fresh fruits and vegetables. On the average, prices of farm products were 10 percent above a month ago and 20 percent above a year ago.

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COMMONS UPHOLDS RATIONING OF BREAD, BUT IT MAY BE BRIEF - London - Britain will begin bread rationing on Sunday only half convinced that it is necessary and not at all sure that it will work but cheered by a Government statement today that the wheat crop outlook has improved so greatly that rationing may not last long any way.

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HENDERSON CALLS OPA 'DEAD PIGEON' - The Office of Price Administration, as originally constituted, is a "dead pigeon", regardless of future Congressional action, and the whole system of Government control as the nation has come to know it is definitely terminated, Leon Henderson, original Price Administrator and chief economist for the Research Institute of America, declared yesterday.

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SET ASIDE IS ENDED FOR SPORTS SHIRTS - Washington - The Civilian Production Administration announced today that it has dropped civilian polo and "T" shirts from the list of knitted outerwear garments for which cotton sale yarn must be set aside. The announcement was made in connection with issuance by CPA of amended regulations covering production and distribution of cotton sale yarn during the third quarter.

* * *

From the New York Wall Street Journal, July 19 -

MORE MEAT - The meat shortage is a dead duck. Retail markets now have from three to five times as much meat for sale as on June 30, the day the curtain went down for O.P.A.

Prices, already slumping on livestock....are likely to fall substantially in your neighborhood meat store in a week to ten days. These two facts highlight....a Wall Street Journal survey of the meat picture in principal cities from coast to coast.....

On the price front, the heavy movement....to market at weakening prices points clearly toward cheaper meat ahead in retail outlets. Jack Kranis, president of the National Meat Industry Council, estimated that next week retail prices will drop 10% to 15% below the present level. Choice beef carcasses in the New York wholesale market were already selling at 37 to 42 cents a pound yesterday, compared with 55 cents a week ago. Fowl which a week ago brought 50 cents a pound and higher were priced yesterday at 34 to 40 cents.

Marketings have now reached a point where they are top-heavy, meat men say. Orders coming into Chicago from the East as well as from local slaughterers are being canceled because wholesale channels are filling up with meat. Packing houses are having to adopt a "selling" attitude in dealing with meat buyers for some cuts of both beef and pork.

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CUBAN SUGAR contract signed this week is expected to boost costs 10 cents a hundred pounds, or a cent a pound to the housewife. Cuba won a flexible price; it goes up as the U. S. cost-of-living index rises.

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CPA WILL SPEED CHEMICALS FOR PUERTO RICO SUGAR CROP, Washington - The Civilian Production Administration announced yesterday that 30,000 tons of sulphate of ammonia and 3,600 tons of ammonia nitrate will be shipped to Puerto Rico by August 15 for fertilization of the sugar cane crop. Puerto Rican can producers have received reduced shipments because of the steel and coal strike the C.P.A. said.

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GOVERNMENT FLOUR BUYING HEAVY, Kansas City - Intensive buying of flour currently is being done by the Production & Marketing Administration, which purchased 1,470,000 cwt. in the first 12 days of July and continues to take everything offered, according to the Southwestern Miller.....

Heavy flour purchases by P.M.A. lend emphasis to reports that the Department of Agriculture plans to concentrate its breadstuffs exports in the form of flour, it is stated.

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(Turn to page 4 for other items from today's New York Wall Street Journal.)

Farm Digest 1575-46-3

From the New York Wall Street Journal, July 19 (Cont.) -

JUNE COTTON CONSUMPTION DOWN, Washington - The Census Bureau reported that United States mills consumed 792,661 bales of cotton in June, compared with 871,559 in May and 785,945 in June a year ago. Cumulative consumption for the 118,436,102 bales compared with 8,894,959 in the similar period a year ago. Stocks of cotton in consuming establishments at the end of June totaled 2,280,942 bales against 2,331,842 bales at end of May and 2,036,656 on June 30, 1945. Cotton in public storage totaled 5,381,566 bales compared to 6,410,431 and 9,192,041 bales, respectively.

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CONTINENTAL BAKING CO. SECOND QUARTER SALES PLACED 10% OVER 1945 - Despite the acute shortage of flour, dollar sales of Continental Baking Co. during the second quarter are understood to have shown an increase of about 10% over the preceding year.

The increase in sales reflects the higher volume enjoyed by the company during the early part of the quarter, before flour supplies became tight. The fact that Continental was able to retain even part of the early increase is due to the 10% decrease in the weight of bread and rolls and the elimination of marginal products and territories.

As a result, profit for the June period, it is understood, was around \$1.35 a common share. This would compare with income equivalent to 49 cents common share in the first quarter this year and 21 cents share in the June period of 1945.

Despite the exceptionally good showing made in the quarter just ended the outlook still remains obscure. For instance, while the flour picture is improving, the shortage of sugar and fats continues to act as a brake on production. But even more serious from a profit standpoint are the sharply higher costs which have hit the baking industry generally since the lapse of price controls.

Here are a few samples of what has taken place: Condensed milk is up from two to five cents a pound; dextrose has increased about 80%; flour, 35% to 40%; and lard, around 40%. As a consequence, the price increase of one cent a pound on bread, given bakers last month, has just about been wiped out.

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FLOUR MILLS OF AMERICA, INC. - Flour Mills of America, Inc., of Kansas City, which has gone through reorganization, now has a strong financial position, with ample capital and a sharply reduced debt. The milling company, which owns six flour mills in Missouri, Kansas and Oklahoma and two feed mills in Kansas and storage facilities for 6 million bushels of grain, will pay off an initial dividend of 30 cents a share on the common stock on September 3 to holders of record, August 20. At the same time it will pay the regular 4% interest on its notes and pay off 2% of unpaid interest.

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From the Chicago Journal of Commerce, July 17 -

SCHEMES TO HOLD PRICES GET SILLIER EACH PASSING DAY, by Wilbur J. Brons - The longer the House fiddles with OPA revival, the sillier and more vicious the various price control proposals become. Credit (if that's the word) for a new low in economic nonsense goes today to Rep. Jerry Voorhis (D., Calif.) for his bill to facilitate buyers strikes by providing government information as to the goods and commodities that deserve boycotting by consumers.

This is a reprehensible bit of hugger-mugger. It follows the line laid down by Walter Reuther and Philip Murray. The essence of the scheme is that the Bureau of Labor Statistics would publish a weekly report which would "enable the people to select specific cases where unwarranted prices have taken place and to withhold their purchases of those particular things."

Such an arrangement would be a godsend to the CIO. A bevy of bright young economists could swing into action to define the proper margin of profit for every producer, middleman and retailer. Because of their influence in Congress and in the White House, Reuther and Murray could then insist upon further wage increases. The BLS weekly report would be accompanied by the usual propaganda in the press, over the air waves and from the Department of Labor's mimeographs.

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From the Times-Picayune New Orleans States, July 14 -

EXPERTS BEAT THE ODDS AT L.S.U. TO SAVE TIMBER - Baton Rouge, La. - Research men in the department of forestry at Louisiana State university are doing some hard things to wood — mashing it, stretching it until it breaks, and cutting it up into little pieces — but if their tests are successful they will contribute to the conservation of the nation's lumber resources.

The tests, according to R.J. Hayes, wood utility specialist and head of the department, are being conducted to obtain greater utility from the various wood species.

To aid them in their experiments, university wood experts and forestry students are using the most advanced test equipment. The latest addition is a compact testing device, which can accurately give the strength characteristics of woods. With the machine, woods can be placed under pressures up to 60,000 pounds to test their compressive strength, or be subjected to prodigious pull stress to test their tensile strength. The device can also be used to test for breaking strength, shearing strength, and cleavability.

Concurrent with experiments on the mechanical properties of wood, the university is conducting a series of experiments in wood preservation, striving to find preserving agents which would be particularly adaptable to Louisiana climatic conditions and suitable for use in home construction.

The forestry department also has available a modern dry kiln with which wood specialists can study the reaction of woods to various degrees of moisture.

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From the Kansas City Star, July 13 -

PATCHWORK EXTENSION BILL, Editorial - The Senate bill extending the OPA is a hodgepodge proposal that is shot through with doubt as to the further usefulness of that agency. The bill carries such a comprehensive list of ceiling exemptions, especially on food products, that its value may be gravely questioned. The one exception would be the provision for rent controls.

As the situation now has developed in the trial period of two weeks without any control at all, it appears that the one form of it alone would be justified. It may come down to that if the extension bill reaches the White House in anything like its present shape and there encounters a veto.

Certainly in view of his stated position and his request for a real extension of control, the President could find little reason for approval of the present measure. It is filled with inconsistencies and with provisions that would make its administration virtually impossible.

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From the Democrat and Leader, Davenport, Iowa, July 16 -

OUR SALVATION, Editorial - Back of all the talk concerning inflation and price control, is the undeniable fact that heavily increased production is our main salvation.

Everyone knows that black markets are created by an inadequate supply of desired goods in normal, legitimate outlets. This country's price control policies have contributed unnecessarily to that inadequacy. No one will produce an article if he can't sell it for enough to pay his costs. And no manufacturer, farmer, or retailer can "hold the price line" indefinitely in the face of increasing wage and operating expenses beyond his control. He must raise his prices or quit producing.

In the case of many agricultural products, the government has attempted to meet the issue thru the old device of subsidies. A child can see the economic fallacy in that. A subsidy means that part of the cost of what you buy is paid for out of your tax dollars. In the long run, the bill is greater.

Those who try to bring about businesslike administration of price control aren't the friends of inflation. They are the friends of production - inflation's enemy. This country has the greatest productive potential on earth. It has, in addition, a highly competitive distribution system which is a miracle of efficiency. Until these forces can operate freely, we shall continue to enrich the black market, and prevent legitimate producers and distributors in all fields from performing the vast services of which they are capable thereby assuring goods at the least inflated prices.

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From the Commercial Appeal, Memphis, July 16 -

THE LOW SUGAR BOWL, Editorial - A survey on the supply condition in the Louisiana sugar "bowl" reflects no credit on the Government's handling of the sugar situation, but does debunk stories that warehouse walls are bulging from withheld sugar.

Sugar factors place the finger of responsibility for domestic shortage squarely on the Government, and there, no doubt, it belongs. Tremendous sugar exports have been made under a Washington agreement that purchases were to be replaced by consignments of raw sugar, but so far there has been no delivery on the promise.

France, Mr. Toler was informed, had bought 15 million pounds of La. sugar under the replacement agreement, but so far there has been no replacement.

(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From the New York Times, July 22 -

CONGRESS EXPECTED TO PASS OPA BILL, TRUMAN TO SIGN IT - Washington - Congress, now in the shadow of the goal posts of adjournment, will continue this week its hard and sometimes bitter battling toward a minimum of legislative musts with its chief accomplishment of last week still in the unfinished category. This is price control legislation, on which the joint Senate-House conferees reached an agreement last night.

It was freely predicted at the Capital today that both Houses of Congress would accept the conference compromise on OPA and it was reported by an Administration official that President Truman would sign it.

The conferees' bill would continue the present holiday from price control until Aug. 20 on livestock, milk, grain, cottonseed, soybeans and their edible products. On that date ceilings would be automatically restored unless an independent three-man decontrol board decided they should remain free from controls.

This same board would have the power to recontrol poultry, eggs, petroleum, tobacco and their products, which would remain without ceilings unless such action is taken.

Other important features of the bill are a provision to restore Federal control of rents and a revised clause giving OPA discretion in applying a formula to allow producers to average 1940 prices plus the average increase in production cost since.

As modified, this discretionary power could be used only where a producer was making average production costs plus a reasonable profit.

The House is due to consider the conferees' report on Tuesday and probably will approve it then. The Senate is expected to follow and send it to the President the same day.

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OUTLOOK IMPROVES FOR WOMEN'S HOSE AND MEN'S SUITS - Washington - The American industrial giant is struggling out of his ropes in a better-than-good Houdini fashion, Washington finds, but the American buying public may as well hold its breath another six months. It will take about that long for factories to catch up somewhat with the wants of the buying public.

The first two items likely to show up as normal, the Civilian Production Administration predicts, are two which have been outstanding midsummer irritations--men's suits and women's hose.

The CPA says it will be early next year before women can walk into stores and begin to find stocked hosiery shelves. By that time several new yarn factories will be operating. Right now the building of them is hampered by the same shortages which are delaying new houses.

The CPA says the country should turn out 40,000,000 men's suits to meet the demand this year, on account of demobilization, but the clothing factories will do well to turn out 28,000,000 suits. The agency thinks this will meet the "basic needs" by the end of summer.

From the New York Times, July 22, (Cont.) -

NEW PRICE CONTROL BILL - Editorial - The compromise price control bill prepared by the House and Senate conferees, with two exceptions, is substantially the same as the bill vetoed by the President. The bill still provides for increased authority over prices by the Secretary of Agriculture, a reduction of subsidies, the elimination of the maximum average price plan (MAP), a three-man decontrol board, and special provisions for dealers in durable goods, cotton, etc. The main differences are the tightening of the Taft and Wherry price relief formulae and the suspension of control over a number of key food products, petroleum, and tobacco. Although the suspended products may once more be brought under control, the net result of these new provisions and the events of the past three weeks is to make price control weaker rather than stronger.

The bill should be sent to the President and receive his prompt approval, thus eliminating the present uncertainty.

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LARD PRICE RISES; 32 CENTS A POUND - Chicago - Cash lard prices continued to advance last week with sales reported at 32 cents a pound, or about 18 cents over the old ceiling. The price reflected the scarcity of that commodity as the result of small receipts of hogs prior to June 30, when Office of Price Administration ceilings were in effect on both hogs and lard and a pent up demand which has been bidding for lard at almost any price. However, the market was decidedly unsettled.

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DEARER SUGAR PREDICTED - The escalator clause in the Cuban crop-purchase agreement completed last week will raise the price of refined sugar this year whether or not price control by the Office of Price Administration is revived, in the opinion of B. W. Dyer & Co. of this city, sugar brokers. The extent of the increase depends upon whether price control is revived, the firm asserts.

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ULSTER HAS BREAD-RATIONING STRIKE BY DELIVERYMEN, BRITISH BEGIN PLAN - Belfast, Northern Ireland - Delivery men who distribute most of the Northern Ireland's bread rebelled against the rationing system that went into effect throughout the United Kingdom today and the Government took prompt action to see that Ulster's 1,200,000 consumers get their supplies.

The men complained that handling ration coupons and keeping accounts would take so much time they could not cover their routes. They announced their refusal to carry out the distribution after a four-hour conference with Food Ministry officials.

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CPA END IS ASKED BY WOOL EXECUTIVE - Arthur Besse, president of the National Association of Wool Manufacturers, yesterday attacked the Civilian Production Administration as having "long outlived its usefulness."

In a telegram addressed to President Truman, the Associated Press stated Mr. Besse said the CPA recently issued a priority regulation which "provides assistance for men's clothing manufacturers who have stated they neither want nor need it to obtain goods that are in adequate supply."

From the New York Journal of Commerce, July 22 -

INCREASED FARM INCOME, Editorial - Farmers are the prime beneficiaries of the commodity price increases that have occurred during recent weeks.....Wise farmers will recognize that the current price increases are at best temporary, and that prices will recede again as supply and demand come into balance. Those who buy farm land at values that discount prevailing commodity prices run the risk of incurring heavy losses later. But the rank and file of farmers are avoiding the excesses of the World War I period, and regard the present period of unexampled agricultural prosperity as an excellent opportunity to pay off debt and accumulate funds for capital improvements.

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AGRICULTURE FACING RISING CHEMICAL COSTS - For the first time since World War I, farmers face higher costs of complete fertilizers, insecticides and fungicides for use on major crops over the 1946-47 season. Latest price developments in the fertilizer materials markets threaten to be reflected in an increased cost of the nitrogen and phosphate content of complete mixtures to fertilizer manufacturers and the recent turn of events in agricultural chemicals may result in higher prices to the farmer for such major items as lead arsenate, copper sulphate crystals and monohydrated sulphate.

Official price data covering the period since World War I shows that while the cost of other commodities to farmers has increased, fertilizer and farm chemical prices have remained fairly stable. Southern fertilizer manufacturers who normally take a large percentage of the tonnage of ammonium sulphate produced will be the most seriously affected by the recent adjustment in the cost of ammonium sulphate since the new price of \$30 per ton is f.o.b. plant. The previous quotation on this major source of chemical nitrogen in fertilizer was \$29.20 per ton, Atlantic or Gulf ports. As an example, Southern fertilizer manufacturers who had previously obtained sulphate at Tampa for \$29.20 per ton will now be required to pay \$30 per ton at the plant plus the freight. This will in some cases bring the actual cost of sulphate up to over \$38 per ton....

The over-all supply picture in industrial chemicals appears to be growing progressively worse. While the recent resumption of operations at strikebound chemical plants has served to lift production of certain items above the level of a few months ago major producers report a steadily increasing demand for tonnage items.....

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FALLING PRICES CUT WHEAT MOVEMENT, Kansas City, Kans., - Declining prices and a continuing shortage of boxcars in some sections tended to retard the flow of grain off farms in the nation's biggest wheat-producing state, Kansas, during the past week.

The bulk of wheat now, however, is under cover and ample storage space has been reported by large grain elevator operators. But because of the boxcar shortage much grain is still on the ground—with some of it spoiling.

Some elevator operators said they expected farmers who have home storage facilities to hold the wheat for higher prices. They declared that many farmers have expressed dissatisfaction with the price, which fell steadily during the last week.

No. 2 dark hard wheat sold on the Kansas City market last week from \$1.94 to \$2.08, as compared with a recent top of \$2.12 which was up about 20c since OPA ceiling prices went off July 1.

(Turn to page 4 for other items from

today's N. Y. Journal of Commerce.) - - -

Farm Digest 1578-46-3

From the New York Journal of Commerce, July 22 (Cont.) -

ALL GRAIN FUTURES DECLINE SHARPLY - Grain futures were again subjected to heavy selling pressure at Chicago on Saturday which carried corn down the permissible 5c limit for the second successive day and resulted in oats losses.....

Trading was again dominated by factors which had contributed to declines during the week, including heavy receipts at terminal markets, weakness in cash markets and favorable weather conditions, particularly for corn which continued to give promise of a record outturn.

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RAIL GRAIN MOVEMENT AHEAD OF SCHEDULE, Washington - Transportation of export grain by rail to shipside for famine relief abroad is currently running about 14 days ahead of schedule shipping requirements, the Office of Defense Transportation announced at the weekend.

June deliveries at 26,304 carloads, the ODT also announced exceeded that record established in January, 1946, by better than 6,000 cars and the previous record of August, 1945, by more than 7,000 cars.

The total July shipping program which was raised from 61 ships to 70½ ships was in elevators at shipside or in transit by rail with the exception of one-half shipload on July 15, the ODT reported. On that date 37½ shiploads of the July grain quota had been shipped from East Coast, West Coast and Gulf ports with a total of 24 ships yet to go on berth.

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PRICE RISE SLOWS AS COTTON HITS 36C - The meteoric rise of futures on the New York Cotton Exchange since the lapse of price controls seemed to reach a temporary peak last week as chartists plotted alternating limit advances and leveling off in prices. Over the week cotton gained as much as 179 points, compared with more than 300 in the previous week.

Analysts attributed the general upward movement to the reestablishment of free markets, to the strong inflationary forces operating in the staple and to the favorable statistical position of cotton. The supply and demand factor was emphasized by the official report of small plantings in the new crop, by the indications of serious weevil damage promoted by excessive rains and a shortage of poisons, by the continued large domestic consumption as evidenced by Census Bureau figures, and by the strong foreign demand, based in part on extension of credit to old world nations, particularly the enormous peacetime loan of \$3,750,000,000 to Britain.

Despite the slackening of the upswing, cotton men throughout the South were predicting advances to 40c and 50c a pound. Observers noted that after the World War I futures contracts on the New York Cotton Exchange reached a high of 43.75 for the July position in the 1919-1920 season. To find cotton prices approaching 50c levels or higher, optimists turned to statistics of the years following the Civil War.

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From the New York Wall Street Journal, July 22 -

CZECHOSLOVAKIA GRAIN ESTIMATE - The Minister of Agriculture of Czechoslovakia has estimated the country's 1946 crops of the five principal grains (wheat, rye, barley, oats and corn) at 217.3 million bushels, a decrease of 40.4 million from the pre-war five-year average. The wheat crop for 1946 is placed at 52.4 million bushels compared with 56.9 million bushels, the five-year average.

From the Milwaukee Journal, July 17 -

STILL HIGHER TAXES?- Editorial - Many congressmen rightly resent the statement by Secretary Snyder of the treasury that, if OPA is finally killed, federal tax rates may have to be raised. They feel--and they are right--that this is a below the belt blow by the partisans of OPA.

It is true, of course, that, if prices rise because of a failure to enact an enforceable control law, government expenditures will rise. But it is also true that government income from taxation will likewise rise. General price rises will mean a higher national income. A higher national income will mean an increased yield from federal taxes. The higher yield will, of course, trail the increased prices by a few months, but that lag would be inevitable even though tax rates were hiked.

The only excuse for higher rates, then, would be to curb by taxes an inflation which congress refused to curb by price controls. This "remedy" would make the situation of persons with fixed income even more desperate than it was before. The remedy would therefore be as bad as the disease.

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From the Boston Herald, July 18 -

OPA BY MOB RULE, Editorial - The mistakes committed by OPA were bad. Those that might be perpetrated by organized striking buyers could be worse. For OPA had its research facilities and was responsible to the President and Congress, while tea-parties and mass CIO rallies operate by emotion.

"Dollar Taft apples," "50-cent Wherry bread," and "Pappy O'Daniel Flour, \$5 a pound," the "tea" of the American Veterans Committee party, appeal to something beside reason. The United Automobile Workers' pledge, "I will not scab by paying higher prices to profiteers," is argument by smear words. This sort of emotionalism can do a lot of harm.

Not all higher prices are gouging. You cannot take 15 cents a pound subsidy off butter and kept the OPA level. You cannot pay \$750,000,000 a year in subsidies to packers and expect meat prices to remain the same when the government payments stop. You cannot boost wages in the food industry sufficient to raise costs 2 to 5% (as estimated by the OPA) and see no mark-up. You cannot lift freight rates enough to add 1% (again an OPA estimate) and hold the old line. None of this is taken into account when demagogues shout "scab! If butter goes to 87 cents, the old ceiling price plus the subsidy, but without new wage and freight increases, the thoughtless cry "profiteer."

Nor are the penalties inflicted by concerted buying strikers very wisely distributed. A small merchant, cornered by increased down the line though the jobber, may bear the brunt of the public's ire, though he is as guiltless as any of his vengeful patrons.

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From the Dakota Farmer, July 20 -

PRICES??, Editorial - Where are prices going? We must admit that we don't know. We doubt if anyone knows. Some people talk a lot and try to appear as if they are real authorities on the subject. In our opinion they are a great deal like the fly who was riding on the back of the wagon as it was going along a very dusty road. The fly looked back and said, "My, what a lot of dust we are raising!" We believe that many of the people who talk so much about inflation and prices have about as much to do with controlling the upward spiral as the fly had to do with raising the dust.

From The New York Times, July 23 -

SCHOOL LUNCHES KEPT AT 12 CENTS-Despite the general rise in food prices, the New York City public school system will continue to provide twelve-cent lunches to elementary school children in a program that will be expanded with funds provided by the city, it was announced yesterday by Andrew G. Clauson Jr., president of the Board of Education.

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COMPROMISE SEEN ON WOOL PRICE BILL-Washington-A compromise wool bill appeared in the making tonight as a means of getting action on such legislation before Congress adjourns.

Pending measures in both the House and Senate would guarantee to wool growers the present price of 41 cents a pound for four years. The new proposal would assure a return of approximately 37 cents a pound for two years beyond the official termination of the war.

The compromise plan was disclosed by Representative Poage, Texas Democrat, after he and other members of the House Agriculture Committee heard spokesmen for the Boston wool dealers express opposition to the pending bills authorizing continuation of the Government's wool program until Dec. 31, 1950.

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CLOTHING PROGRAM DEFENDED BY SMALL-Washington-John D. Small, administrator of the Civilian Production Administration, made public today a letter to Arthur Besse, president of the National Association of Wool Manufacturers, in which he took sharp issue with the latter's views that the agency had "outlived its usefulness" and ought to be disbanded.

Mr. Besse's attack on the agency, contained in a telegram to President Truman was "ostensibly" based according to Mr. Small "upon the fact that this agency has continued during the third quarter its program under order M-328-b to provide for continued production of low-cost men's and boys' clothing."

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WAGE-PRICE SPIRAL-Editorial-The CIO Executive Board has called for an immediate labor-management conference "to the end that the demand and need for immediate wage increases may be given full and official recognition" and to provide "for a stabilized national economy." The basis for this demand is the alleged "rise of essential living costs of approximately 40 percent" in the past two months and of approximately 25 percent since the OPA law was permitted to lapse. In addition, it is declared that the "upward spiral has not even begun to swing into its force and intensity."

There is no good reason to believe that the proposed labor-management conference could bring about the stabilization which the CIO desires. This is so because such conferences could not attack the basic cause of the present pressure upon price--namely, past, present and future budgetary deficits. It would, at the same time, set into motion new pressures for price rises if the CIO wage demands were granted. There is certainly no basis for the claim that living costs have risen 25 percent in the past two weeks, or 40 percent in the past two months.

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From the New York Wall Street Journal, July 23 -

NORTH AMERICAN WHEAT crisis is now definitely passed...The U. S. is now harvesting a crop promising to total around 1.1 billion bushels. This, plus the 100 million carryover, should leave a surplus of 250 million in mid-1947 after allowing for home use of 700 million bushels and exports of 250 million.

Canada's 1946 crop is now indicated at 500 million bushels. With her 70 million carryover and allowing 140 million for home needs and 250 for export, this should leave her a surplus close to 180 million at mid-1947.

Note that exports for the two nations are forecast at 500 million bushels in the coming season. They totaled about 715 million in the season just ended. Better crops abroad are expected to spell the difference.

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RICE WILL RETURN to grocery shelves in a matter of weeks. The new crop begins to roll off the fields in the South about August 1 and in California a month later. It's in good shape and a harvest of some 69 million bushels, second only to last year's record 70 million bushels, is forecast. Key to how much will be available for housewives lies in the Government's take. Last year this amounted to 70% of the California production and 50% of the South's output. It was shipped abroad to rice-starved countries. This year the U.S. will take much less for relief shipments abroad.

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BUTTER SALES, though soaring, haven't wiped out the backed-up stocks of this commodity. Some retailers already are marking down prices to meet competition. Black market operations have ended. Department of Agriculture representatives say housewives are being cautioned to buy butter carefully; some supplies, having been held too long, are approaching the rancid state.

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ANIMAL BLOOD BANKS to save livestock are proving a boon in the Midwest. Methods of storing cattle and horse blood as long as to 120 days have been developed. Up to three quarts have been taken from one cow at a time. Cow blood requires no matching or typing, but horse blood does. Heavy loss of blood through accidents, pneumonia and other diseases has been successfully treated by using the stored blood.

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SMOKED MEATS get added longevity from raw cottonseed oil. Tests show that smoked bacon and hams will last four to five times longer when dipped in this oil---in the raw state. Tests with refined cottonseed oil have not proved as satisfactory.

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BIG BUSINESS in little chickens is a new war-developed industry. Beginning a sharp climb five years ago, production of commercial broilers totaled 312 million in 1945. The 1934 figure was 34 million. That's a nine-fold increase in 11 years. This is aside from farm production; farmers are now estimated to have 800 million broilers in their barnyards, compared with 600 million in 1934.

(Turn to page 4)

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Farm Digest 1585-46-3

From the New York Wall Street Journal, July 23 (Cont.)

BRITISH HOLD 515,000 TONS OF COTTON, London - Sir Stafford Cripps, president of the British Board of Trade, stated that the total quantity of cotton held by the Cotton Control as of March 31 amounted to 295,00 tons in Britain and 220,000 tons overseas at a cost of approximately £37,000,000 and £26,000,000, respectively. Sir Stafford announced that Liverpool will serve as administrative headquarters for the cotton buying commission. Branch offices will be opened elsewhere to suit the convenience of business.

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From the New York Journal of Commerce, July 23 -

COTTON PRICES DROP - Cotton futures broke more than \$4 a bale in early dealings on the New York Cotton Exchange yesterday as traders liquidated positions following adoption over the weekend of a compromise price control measure by the House-Senate conference committee..

The confusion caused by the latest turn in the political battle respecting OPA arises not so much from any fear that the pricing agency would attempt to put ceilings on the current crop or restore higher margins but from the fact that the market has been adjusting itself to the prospect that ceilings on cotton goods would not be restored.

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VISIBLE WHEAT SUPPLY UP, Chicago - Visible supply of wheat increased 4,758,000 bushels to 53,986,000 bushels this week, the Board of Trade reported today.

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DECLINE CONTINUES IN CORN FUTURES - Chicago grain futures fluctuated nervously over a fairly wide range with corn registering net losses of 3 1/4 c to 5 1/2c.

Indecision stemmed from the still far from clarified future status of the OPA and how grains will be affected under the agreement reached between House and Senate conferees late last week.

It was generally believed that ceiling prices will be reimposed on corn although possibly at a higher level than formerly in order to combat black market tendencies, but there appeared to be a good likelihood that oats will remain free of controls.

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MARKET FOR BUTTER INCREASINGLY WEAK - Increased sharp weakness in the butter market forced prices down 2 1/2c to 1/2c under a general desire to stimulate consumption. Demand at the retail channels has lately slackened materially in spite of the fact that average prices have been forced below general black market rates during the war and later period.

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From The Milwaukee Journal, July 20 -

SMACK THEM ON THE NOSE?—Editorial—Harry Truman, who never lacks for advice as to how to run the presidency, has been told by James G. Patton of the Farmers' Union that he ought "to go out and smack the noses" of opposition congressmen.

After a White House conference, Patton deplored what he termed "the administration's attitude of resignation -- an attitude adopted because of a stubborn congress."

While no one can contend that Mr. Truman is "a fighting executive" like Andrew Jackson and the Roosevelts, it is unfair to suggest that he has not battled for his major objectives -- even to trying to smack a few noses, and getting his smacked in return.

In Truman's first months in office, he tried comradely co-operation with the congress. He visited with his former legislative friends, believing this would help bring backing for his measures. It did not. Next he tried to break the stalemate by appeals to the people to bring pressure on the congress. This brought little response and no results. In recent months, he has struck out angrily at those blocking his legislative measurers.

Most recent example of this is his vigorous attack on Senator Taft, embodied in the presidential veto of the OPA renewal bill. Franklin Roosevelt's assaults on his enemies were never much sharper.

And what did all of these strategies avail? Practically nothing.

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From Watertown (N.Y.) Daily Times, July 20 -

A FAULTY COMPARISON—Editorial—Some newspapers, opposed to continuation of price control, have been publishing long lists of food prices in thier communities, comparing those prices without OPA to prices in the black market when OPA was in existence. Because prices now are in some cases lower than black market prices were these newspapers profess to see any advantage in doing away with price control.

What these papers choose to ignore is that the average person did not go into the black market. There are always law violators and there always will be. Our own judgment, however, is that comparatively few housewives, certainly in this area, knew anything about the black market in OPA days. The average housewife went to reputable food markets and paid ceiling prices for such food as were available. Now she is going to these same food markets and paying much higher prices.

To compare present food prices to prices which prevailed in the black market is like comparing prices of legitimately imported goods with prices of imports smuggled by the customs. Of course no fair comparison is possible. Most people do not do business with smugglers and most people do not do business with black marketeers.

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From The Ann Arbor (Mich.) Washtenaw Post-Tribune,

THE PEOPLE VS. CONGRESS—Editorial—The cost of living continues to soar. Congress is in utter confusion. The people with low incomes are desperate. The foreign countries look upon the approaching American debacle with amazement.

One wonders at the irresponsibility of a Congress that refuses to recognize the clear majority desire for effective price controls. Irrefutable is the conclusion that many of these Congressmen in Washington are representatives of special interests, not of the people. Every poll taken of the nation indicates an overwhelming majority for price control. But our representatives refuse to heed the voice of the people.

From The New York Times, July 21 -

REPORT FROM THE NATION-Central States-Corn Growers are Bewildered at Vast Crop Prospects-Chicago-Reflecting the optimistic outlook of the American farmer, some agricultural statisticians in the Central West foresee the Corn Belt, the so-called "breadbasket of the nation," headed for "one of the greatest harvests in history."

King Corn's realm is studded with "signs of a bountiful season marking the ninth successive year in which the Midwest has gathered a bumper crop."

This was the report this week of one qualified farm specialist after a survey of what he termed the "amazingly rich" corn fields throughout Illinois, Wisconsin, Iowa, Kansas, Oklahoma and Nebraska. The crop throughout this area is described as "heavily tasseled and standing more than six feet tall."

Iowa alone expects to contribute 651,000,000 bushels toward the nation's record goal of more than 3,300,000,000 bushels of corn. In this "golden buckle" of the belt, veteran farmers are pictured as "shaking their heads in bewilderment at the crop's abundance and excellent condition."

Trailing Iowa is Illinois, which anticipates a yield of 461,000,000 bushels. Nebraska is next with a prospective harvest of 268,000,000 bushels.

As bumper crops of oats, wheat and hay are being reaped, crop statisticians are predicting that farmers will end the season with one of the greatest supplies of feed on record. Whether this will mean more beef, pork, lamb and butter for the American housewife these farm specialists are loath to forecast. This is because of price ratios which now make it unprofitable for much of the feed to be transformed into meat and dairy products.

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From Chicago Journal of Commerce, July 18 -

HEAVY LOADING ORDER TO RAILS EXPECTED SOON-Washington-Extended application of the government's wartime heavy loading demands upon railroads was seen today when an Office of Defense Transportation official said no unusual relief is likely to come out of pending revisions in ODT orders requiring the full use of space in boxcars.

The revisions, which the ODT and the Interstate Commerce Commission have been working on for the past two weeks, are expected to be issued early next week.

The changes, to bring wartime orders up to date, have been forwarded to members of a shipper-transportation advisory committee for approval and are expected to be returned momentarily.

The heavier loading orders, ODT 1 and 18-A, have been under fire for several months from shippers' organizations.

Revisions will come in the form of ODT orders, which marks a victory for railroad traffic men who opposed their issuance by the ICC. Government transportation officials declared the principal need for the orders is because too much less-than-carload freight is being shipped. They hold car shortage could be eased if a great deal of smaller shipments were eliminated.

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From The Montgomery, Alabama Farmers State, July 22 -

POULTRY FEED SITUATION IMPROVES; SUPPLY BETTER SINCE DEATH OF OPA-Some improvement--slight but definite -- in the poultry feed supply situation was noted at weekend by H. M. Doss, chief of the poultry division of the Alabama State department of agriculture and industries.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A, Phone Gene Harrison at 6212.)

From The New York Times, July 24 -

HOUSE VOTES BILL TO CONTROL PRICES, RENTS, 210 to 142-Washington-With a decided lack of enthusiasm among partisans on either side of the issue, the House accepted the compromise price and rent control bill today, 210 to 142, and sent it to the Senate, where it was made the pending business when that body meets tomorrow.

Confident of a favorable Senate vote and hopeful of Presidential acceptance Administration leaders expected to have the measure on the way to Mr. Truman's desk by nightfall.

The President's signature would end a three-week hiatus in all Federal price and rent control but leave many food items in the free market at least until Aug. 21 and require the Office of Price Administration to raise prices of some manufactured goods.

Senate action tomorrow was predicted by the Majority Leader, Alben W. Barkley of Kentucky, as well as by some opponents of OPA, who said they would seek to defeat the compromise but were far from optimistic over the prospects. Senator Kenneth S. Wherry, Republican, of Nebraska, planned to take a lead in efforts to have the measure turned down. However, he said he planned no delaying action and knew of no other Senators who would employ such tactics.

There still remained the possibility that Senator W. Lee O'Daniel of Texas, who has been promising to repeat his filibuster that delayed passage of a previous OPA bill, would make a show of carrying out his threat.

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OPA READY TO ACT TO LOWER PRICES-Washington-The Office of Price Administration in anticipation of enactment of a price control law in approximately the form it passed the House, prepared today to roll back rents and controllable prices to levels in effect on June 30.

Spokesmen for the Agency stated that there was "no doubt" that it would make every effort to reduce rents, if they have risen since July 1, to levels in force when the price law expired.

The same effort will be made to restore former price ceilings on goods for which the OPA may have authority to act. These items would be most consumer goods, especially clothing and durables, and most producer's goods. Specifically exempted from the confinement of price controls, at least until Aug. 21, are meats, dairy products, grains, cotton seed and soybeans and products made from them; tobacco and its products; and petroleum and its products.

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RAIN CUTS RALLIES AGAINST HIGH PRICES; STORES CROWDED DESPITE PICKETS-A steady rain greatly reduced the anticipated numbers but failed to dampen the enthusiasm of participants in a city-wide series of rallies held yesterday under the auspices of labor, consumer and veterans' groups to protest against rising prices and the failure of Congress to enact price control legislation satisfactory to them.

Manhattan department stores, some of which had advertised exceptionally attractive sales yesterday to offset the scheduled demonstrations, reported that they were not affected by the buyers' strike, and independent observers found that at least some of them were crowded while pickets paraded outside.

(Turn to page 2 for other items - - - - Farm Digest 1595-46
in today's N.Y. Times.

From The New York Times, July 24 -

FOOD PRICES HERE CONTINUE TO DROP-Prices of food continued downward yesterday, with plenty of beef, pork, poultry, fruit and fresh vegetables in both the wholesale and retail markets, according to the Department of Markets. In some instances butchers said they were paying 8 to 10 cents less a pound for meat than on Monday.

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WOULD DROP ORDER TO SHIP TRACTORS-Chicago-The international Harvester Company has asked the Civilian Production Administration to reconsider its order requiring export of 14,500 American-built tractors largely to Russian-dominated countries, a company spokesman disclosed today.

In a letter to the CPA, G. G. Hoyt, vice president of the company, based his request for reconsideration of the order on the fact that its fulfillment would involve diversion of tractors from domestic channels and also would disrupt shipments to countries other than those receiving UNRRA aid.

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HOARDING CHARGED IN LUMBER, COTTONS-Washington-Evidences of hoarding and accumulation of excess inventories have been uncovered among producers of unfinished cotton textiles and Pacific Coast softwood lumber, the Civilian Production Administration reported today.

A nation-wide spot check of approximately 200 producers and distributors revealed that the primary cause of the tendency to withhold goods from the market, COA stated, has been the uncertainty of dealers as to prices, and it was suggested, their wish to take advantage of higher price levels at a later date.

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ROLL-BACK THREAT DRYS UP TEXTILES-Realization that the new price control bill will roll back textile prices to the June 30 level brought about virtual drying up of business, it was learned yesterday in Worth Street. There will be little activity in primary markets; it was predicted until the revitalized Office of Price Administration issues new schedules which will take into account the increased cost of cotton and production.

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NEW LINE OF STRAINED MEATS FOR BABIES AND CHILDREN OFFERED BY SWIFT FIRM-Chicago-Described as "a further step in the series of changes which have taken place in infant nutrition over the past twenty-five years," Swift & Co, announced today a new line of meats prepared especially for babies and young children.

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From the Journal of Commerce, July 24 -

PRICE LEVEL QRF FRACTIONALLY - On the verge of a new period of price control, major commodity markets continued much in the pattern that has prevailed for the past fortnight.

Commodities which are faced with large supplies such as wheat, corn, eggs, butter and yesterday's new entry, dressed meats, showed new losses, while tight items such as naval stores, wool tops, cheese and lard held firm.

The Journal of Commerce daily index of 30 sensitive commodity prices receded only fractionally to 239.9 compared with 240.6 for the previous day, 242.5 the high reached during the decontrol period and 202.1 the level held on the last day of OPA controls.

Grains - Hikes in the prospective corn crop and reports that new corn for December delivery was quoted from \$1.40 to \$1.44 a bushel, compared with prevailing levels of about \$2, depressed the futures market $1\frac{1}{2}\phi$ to 2ϕ at Chicago. Both deliveries now are below the OPA ceiling. Oats were irregular with advances for July of 1ϕ to $1-3/4\phi$...Barley sagged $\frac{1}{2}\phi$. Rye at Minneapolis was quoted at \$2.65 nominally for July shipment. The cash market averaged lower showing declines for wheat and corn, while oats closed fractionally to 1ϕ higher.

Livestock - A cut in receipts sent hogs and cattle up for substantial gains. Prime cattle sold at a top of \$26, compared with \$25.25 the previous day. Hogs reached a top for the day of \$21.50, against \$20.75. Clearance was early and complete.

Meats - Lagging behind the new turn in livestock supplies, the wholesale meat market began to show signs of overstocking and consumer reaction to the high price levels that have prevailed. Beef showed a range of \$35-\$40, against \$37-\$40, pork dropped to \$35-\$38, compared with \$37.50-\$42.

Other foods - Cash lard at Chicago came back into the market at 26ϕ after being unquoted for several days; the last level was 24ϕ ...Flour price ranges narrowed to \$5.40-\$5.50, against the previous day's level of \$5.35-\$5.60...Cheddar cheese advanced...Butter prices skidded again, dropping to 66ϕ for 93 score, off $3/4\phi$...Egg futures tumbled, off more than 1ϕ ...

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MORE WHEAT FOR HOME USE, Editorial - Despite the upward revision in the wheat crop estimate to a record of 1,132,000,000 bushels this year, domestic supplies of the bread grain are going to be tight well into 1947. However, it may well be that home consumption equal to that of the 1945-46 crop year will be possible without interfering with the Department of Agriculture's goals of exporting 250,000,000 bushels of wheat and increasing the carry-over during the year beginning July 1, 1946...

The Department of Agriculture regards an increase in the wheat carry-over on July 1, 1947, as necessary. Carry-over of old crop wheat at the beginning of this month approximated 100,000,000 bushels, the lowest in almost a decade.

Should the upward revision of 42,000,000 bushels in the wheat crop forecast between July 1 and July 15 prove justified, domestic consumption equal to the 1945-46 level would be practicable. There could then be some liberalization in the quantity of wheat millers will be allowed to use. Beginning this month, they have been restricted to 85 percent of the 1945 monthly average. This restriction may well be relaxed further if the record crop forecast proves justified.

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From the Journal of Commerce, July 24 -

ONE VARIETY COTTON PLAN UPSET, Memphis - Crop reports from the Mid-South area reveal that the cotton crop is spotty with wide and unpredictable variations throughout the area. The best reports come from Arkansas...

The Mississippi crop is late on the whole and rainfall has caused delays in cultivation in many sections, while boll weevil infestation seems widespread, especially in the hill sections. Tennessee cotton is also late with heavy rainfall damaging to areas around Memphis. The southeastern Missouri crop is reported in excellent shape and beginning to bloom...

From the germination standpoint, the cotton seed planted this year has proven to be of very low quality and due to the great scarcity of seed, even cotton oil mill seed was used. As a result, the one-variety program which the Government has been encouraging for a number of years with good results has gone by the board. In fact, there is less uniformity in the quality of the crop this year than there has been since the program was started.

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COTTON FUTURES OFF - Under an expanded volume of transactions, prices on the New York Cotton Exchange dropped 39 to 54 points, with the closing at the lows for the day in most months.

Feeble rallying tendencies at the opening, were quickly translated into minus signs under pressure of selling attributed largely to Wall Street and New Orleans commission house liquidation. Memphis interests also entered the picture on the downside and were reported to have disposed of some 25,000 bales from long positions.

Weakness in the grain and security markets contributed to the generally nervous tone as did the report which circulated freely to the effect that Chester Bowles, advocate of a tight pricing policy, would be named by President Truman to the three-man stabilization board which is to be set up under the new OPA bill.

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U.S. LOAN HELPS BRITAIN'S COTTON PURCHASE STATUS, Liverpool, England - Raw cotton arrivals continue in excess of current mill consumption. Recent cargoes reaching United Kingdom ports have included Russian, Brazilian, Sudan, Peruvian and Uganda cottons.

Deliveries of raw cotton to spinners are averaging around 34,000 bales weekly, of which about 7,500 bales are American. Spinners who used American cotton exclusively before the war are at present being forced to mix in 50 per cent of other growths owing to the limited American supplies available.

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DUTCH COPRA PLAN TO RESTORE OUTPUT, Batavia - Inauguration of a five-point program to rehabilitate the copra industry, which is almost entirely in the hands of the Indonesian population, was announced here today.

The program will be carried out by the Netherlands Indies Government Copra Administration, "Copra Fonds," which was re-established in December after being originally set up in July, 1940.

The new program will be devoted to 1) rehabilitating the plantations, 2) encouraging, by import of rice, textiles and other necessities, the population to engage in copra production, 3) improving transportation facilities, 4) increasing the number of local copra-buying centers, and 5) re-establishing contact between producers and Chinese middlemen by placing at the disposal of the middlemen funds and imported goods.

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From The Davenport (Ia) Democrat and Leader, July 21 -

IOWA MAY HAVE TROUBLE IN HANDLING WHEAT CROP UNLESS BOX CAR SITUATION EASES UP-Des Moines, Ia. - (UP)-Iowa, too, is going to have its troubles with its wheat crop unless more railroad cars are made available soon with which to move the grain to terminal markets, Mark Thornburg, executive secretary of the Western Grain and Feed association, said Saturday.

While the Iowa crop normally is not large in comparison with other states, and the expected yield this year is about half the recent 10-year average, Thornburg said trouble was anticipated because there isn't too much wheat storage space in the state and because of the car situation.

The crop has been so large and the cars so scarce in some states, including neighboring Nebraska, that wheat has been piled on the ground. Iowa growers are pretty well thru combining their wheat, but none has had to go on the ground.

Thornburg, former state secretary of agriculture, said, however, the crop is taxing the facilities of the train service to get cars. There are several "bad spots," particularly in northwestern Iowa, he added.

"High priced corn is moving to market, the oats harvest is on, and the car situation is severe," he explained. "A few elevators are plugged but we hope to be able to open them soon."

"When price control went off corn sales with the passing of OPA, corn prices increased and the grain began to move thru the regular channels instead of thru the black market. That is one of the reasons for the shortage of cars for wheat."

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From The Kansas City Star, July 21 -

SEES FOOD ROT IN CHINA-Shanghai-Chinese National Relief and Rehabilitation administration officials were reiterating today that there were no United Nations Relief and Rehabilitation administration food supplies stored in Shanghai. But a tour of the wharves revealed thousands of tons stacked high in warehouses while the unloading of thirty-five supply ships in the harbor was delayed because of a shortage of storage space.

Tons of sugar, flour, dried beans, and other items were seen in one of the warehouses used by CNRRA. Pointing to endless stacks of food, a UNRRA employee who acted as guide for the tour remarked: "That is goods the CNRRA claims has been distributed it is not really here."

Many of the boxes were identified as having arrived on ships which were unloaded three months ago. Mould growing up from the floor on the sides of the first layer of boxes testified further to the delay in the movement of this food to famine stricken areas. A stench which struck the party at the door of the warehouses was a forcible reminder that spoilage is claiming its share of the supplies.

The supplies included a quantity of army rations declared surplus from the Federal Liquidation commission by UNRRA. Through rough handling, portions of these supplies were damaged on arrival in Shanghai, but only a comparatively few men were engaged in sorting cans for condemnation.

Army and UNRRA physicians recently condemned 9,770 cases, which were thrown in the river. Warehouse employees estimate that 5,000 more will be discarded.

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From Detroit Free Press, July 19 -

HITTING WHERE IT HURTS-Editorial-There is a shudder for the paladins of bureaucracy in the revolt of Britain's bakers against bread rationing. The Britons, who have a way of making good their boast that they never will be slaves, aren't arguing the virtue of rationing, itself.

Farm Digest 1595-46-5

From The Ohio Farmer, July 20 -

HONEST PRICES-Editorial-The demise, temporary at least, of OPA has given farm commodities a chance at a price in an open, free market. Most of them have gone up and this rise is being pointed to as a catastrophe in the cost of living. However there is one factor that should be considered in these higher prices and it is one that many consumers have failed to take into account.

That is the subsidy which all of us as taxpayers were paying. If we were paying a subsidy for milk amounting to two cents per quart and milk goes up two cents when the subsidy is stopped then we are not really paying any more for milk. We are only paying the honest price. Instead of paying 14 cents now and charging two cents to future taxpayers we are simply paying 16 cents now. We are paying cash for our food as we consume it and not trying to kid ourselves that living costs are cheaper just because we are charging part of it.

The same is true of meat, butter and other commodities for which government was paying a subsidy to fool consumers into a feeling that they were getting them cheaper. Somebody will have to pay those subsidies some time and the bill gets bigger, not smaller, when administrative costs, interest charges and other items are added. This is no time to eat off our government. We should be on a cash basis for our groceries and pay honest prices for them.

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From The Denver (Colo) Record Stockman, July 18 -

STAND BY YOUR GUNS-Editorial-Record peaks continue to be tagged on various classes of slaughter livestock.

Commission men shake their heads as they read the reports and mutter "Crazy." -- Rather ironical, for they are the men who are out getting the prices. At the same time, livestock producers who are marketing now shake their heads in dismay when they learn the prices their consignments net. -- Rather ironical, for they are the men who are receiving the payment checks.

Yet, it is true, no one in the livestock industry wants to watch prices skyrocket. Producers and feeders don't want to see consumers gouged. They only want a profitable production in an economy that will let them take their own risks and operate as they choose. But, at the same time, the industry has run into an unfortunate public relations situation -- and a battle between the little packers and the big, a competition that is boosting prices on the rather small numbers of killer stock now available.

When the great masses of the American public, the average consumers, see the general press reports of record livestock prices, they are immediately going to blame the producer, the packer and the butcher -- undoubtedly the blame will be passed back to the producer or feeder. They cannot and won't realize that a part of the increase is payment for the expired government subsidy which was paid out of tax money. They don't know that the price increase is also due to the spirited competition for high priced meat which does find a ready demand.

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From St. Paul Pioneer Press, July 21 -

FLAX PULP MILL TO BE OPENED HERE-A flax pulp mill to process fiber for the manufacture of paper will be established in St. Paul immediately, it was learned Saturday with announcement by John France, industrial director of the St. Paul Association, that a plant site has been selected in the Hazel park area. Operations are to begin about Jan. 1.

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JUL 30 1946

(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From the New York Times, July 25 -

OPA REVIVAL BILL GOES TO TRUMAN; SENATE VOTE 53-26-Washington-The Senate passed and sent to the White House at 12:11 this morning the much-revised bill to restore with limitations the Government's authority to control prices of scarce commodities and rents until next June 30. The vote was 53 to 26.

Final passage of the measure, which would severely curb the powers of the Office of Price Administration and exempt many foods from control for at least another four weeks, followed what was widely interpreted as a virtual guarantee by Senator Alben W. Barkley of Kentucky, the Majority Leader, that President Truman would sign it.

While asserting that Mr. Truman had not informed him of his intention in that regard, Senator Barkley told his colleagues that the President had promised him that he would make early appointments of members of a decontrol board which would be established under the measure.

Since no such board would be created unless the bill became law, the only possible conclusion which Senators would draw was that Mr. Truman intended to sign it rather than again exercise the veto power which killed its predecessor on June 29 and resulted in expiration of the Office of Price Administration the following day.

This evidence, added to the prediction Tuesday by Representative John W. McCormack of Massachusetts, House majority leader, that the bill would become law, left doubt in few minds that the Chief Executive would sign the new measure.

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UNRRA FOR AGENCY TO CONTINUE SUPPLY-Washington-A document on continuing relief needs in famine countries and recommending that some international agency take over supply operations where the United Nations Relief and Rehabilitation Administration leaves off, was made public by UNRRA today.

The UNRRA statement said that this document had been furnished to all forty-eight nations belonging to UNRRA as basis for discussion at the final UNRRA Council Session which opens in Geneva, Switzerland, on Aug. 5.

UNRRA officials estimated that \$1,100,000,000 worth of food imports would be needed to sustain a minimum standard of life until the 1947 harvests in the countries it has been serving. But they quickly scaled this figure down to \$750,000,000 as all that would be possible due to supply shortages in cereals and fats.

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WOOLEN SET-ASIDE 90% IN 3D QUARTER-Washington-The Civilian Production Administration fixed today amounts of wool fabrics which producers must set aside in the third quarter of this year at 90 percent of the net yardage they were required to set aside and deliver in the second quarter after all exemptions were taken into account.

(Turn to page 2 for other items
in today's N.Y. Times.)

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From New York Times, July 25 -

CITY FOOD PRICES CONTINUE TO DROP-Pending final disposition of the new Federal bill to reinstate price and rent controls, many consumers and merchants appeared yesterday to be marking time. Prices for meat and butter continued to show a slight downward trend.

When trading on the Mercantile Exchange closed butter was up about one-half cent, but the retail price still ranged around 75 cents a pound. Dealers said they were waiting word on Senate action in Washington.

In addition to uncertainty over the possibility that dairy controls might be resumed after Aug. 20, traders were voicing concern over the chance that creamery supplies might be curtailed if butter prices remained at their present levels. They pointed out that the dairy producer was netting less than he did before the end of control by the Office of Price Administration, because the wholesale price had dropped several cents below the level of the former ceiling plus the subsidy.

Meat was reported plentiful. One sign of a further price weakening was an announcement by Mrs. Frances Schulman, general manager of the Fort Greene Retail Meat Market in Brooklyn, that a new rate schedule would take effect today. Price decreases ranging to 20 cents a pound will be posted, Mrs. Schulman said.

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COMMITTEE FAVORS BILL CREATING CLAYTON POST-AP-Washington-The Senate Foreign Relations Committee today recommended passage of a bill creating the Office of Undersecretary of State for Economic Affairs.

Will Clayton, Texas cotton man who has been handling economic matters for the State Department as an assistant secretary, is slated for the new post.

Tom Connally, chairman, announced the committee authorized him to report Mr. Clayton's nomination favorably to the Senate as soon as it was received.

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LA GUARDIA FEARS FOR POOR NATIONS-Rome-Keen concern over what will happen to the countries which are now dependent on aid from the United Nations Relief and Rehabilitation Administration when UNRRA funds are cut off on Dec. 31 was expressed by F. H. La Guardia, the agency's Director General, at a press conference he held today.

UNRRA quotas would be continued, he said, but countries receiving supplies would have to pay for them, and this would represent a very severe hardship for those that have no reserves of foreign exchange. He cited the case of Italy, which would certainly have a deficit in her trade balance next year and would find herself in a particularly difficult position if she must pay reparations.

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PREDICT OPA DELAY IN LUMBER PRICING-"Dilatory" processing tactics of a revived Office of Price Administration will make any price increases in lumber manufactured in the Northeast "virtually out of the question for at least six months," a regional industry spokesman declared yesterday. He reported that producers in the region, unlike competitors in at least one other portion of the nation, have rigidly held prices at levels prevailing prior to price control termination and contemplate no upward revision without authorization.

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From the New York Journal of Commerce, July 25, -

BUOYANT LIVESTOCK MARKET BOLSTERS COMMODITY INDEX - Most commodity markets slumped yesterday as passage of the compromise OPA bill by the Senate grew more certain hour by hour. The outstanding exception was the livestock market which advanced to peak levels.

As a result The Journal of Commerce daily index see-sawed back to 240.0, up a fractional point for the day.

Grains.—All Chicago grain futures fell below former OPA ceilings yesterday, for the first time since controls lapsed. Corn was inactive, closed unchanged to a $\frac{1}{4}$ c lower. Barley dropped the 5c permissible limit as offerings in the cash market mounted. Oats firmed slightly on smaller arrivals and a substantial sale for export to Finland, closed $1\frac{1}{8}$ to $7\frac{1}{8}$ c higher.

Cash grains moved in a narrow channel. Corn up about 1c, oats $\frac{1}{4}$ c to 1c higher at Chicago and wheat leveled at former ceilings the point at which the CCC was prepared to buy.

Livestock.—The advance in livestock continues. Prime cattle set a new price record yesterday scaling to \$25.50, against \$26 the day before. Hogs reached \$22 for top grades an advance of 50c.

Other foods.—Last week's skid in the butter market finally stimulated lagging demand; result: $\frac{1}{2}$ c higher, $66\frac{1}{2}$ c for 92 score.....Live poultry was steady to 3c lower.....Lard was again unquoted after the one-day flurry in which the price was bid up to 26c.....Canned foods are moving higher....

Textiles.—Heavy liquidation broke cotton \$5 a bale yesterday in the futures market. The slump carried prices \$11 to \$13 a bale under the 23-year high mark set last week. The cash market broke 100 points carrying the price at Galveston down to 34.20c, compared with 35.20c the day before.

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DISTILLERS ASK NEW ALLOCATION METHOD, Washington - Even though sharply improved grain prospects may mean the complete end of beverage alcohol grain allocations within a few months, a determined effort to change the quota system will be made by a number of beverage alcohol distillers at a meeting to be held at the Department of Agriculture tomorrow, it was disclosed today.

One grain official at the Department now thinks that it may even be possible to permit beverage alcohol distillers to use larger quantities of corn next month, it was said. The reasoning behind this belief is that most distillers will not want to buy \$2 corn in August when it may be possible to buy it for around \$1 in November and December, after the 3,487,976,000-bushel crop should be realized.

While USDA officials maintain the traditional caution of the department in forecasting relief from grain quotas for distillers, there is no doubt that a more optimistic view is being taken along these lines since the grain forecasts were issued on Monday.

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DECONTROL BOARD GET FINAL POWER OVER FARM PRICES, Washington - Price control executives agreed today that although the OPA Extension Bill transfers to the Secretary of Agriculture primary responsibility for control of agricultural commodities, final authority will rest with the new three-man price decontrol board.

Under the extension bill reported out by the Congressional conference committee, price ceilings cannot be applied by OPA to any farm product unless the secretary certifies that the product is "in short supply." But even if Secretary Anderson should so certify, a national or regional agricultural advisory committee will be able to petition the board for a review of the case and the board's decision can override both OPA and the Secretary, it was pointed out.
(See page 4)

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From the New York Journal of Commerce, July 25 (Cont.) -

SEE DISAPPOINTING DRIED FRUIT PACKS - Dried fruit trade interest yesterday centered largely in the prospective pack situation on the Coast, and much to the surprise of local operators, current reports are that production of major dried fruit packs this season may prove disappointing, despite the record yields of many fruit crops.

Accounting for this unexpected development is the shortage of experienced labor in packing plants, higher grower asking prices, prospects of greatly increased canning and competition developing for supplies from fresh markets as well as freezers. However, in some instances freezers will not be as active as last year, especially in the purchases of apricots, for there is a heavy carryover still unsold.

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From the New York Wall Street Journal, July 25 -

PROCTOR & GAMBLE LIFTS WHOLESALE SOAP PRICES, Cincinnati - Procter & Gamble Co. has advanced wholesale prices of its soap products 10%, effective July 15, to meet the increased cost of tallow arising from meat price rises. Wholesale price of shortening and salad oils in bulk quantities for commercial use were advanced the same date by one-half cent a pound.

Increased production and distribution costs have not been included in price increases, the company said.

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TOBACCO SALES OPEN IN GEORGIA AND FLORIDA, Atlanta - Georgia and Florida tobacco warehouses reported their floors were filled to capacity as sales opened on the 1946 bright leaf crop.

Sen. George (D.Ga.) forecast in Washington that the crop would be sold without price ceilings. The pending O.P.A. bill permits price ceilings only upon recommendation of the proposed decontrol board after Aug. 20. Sen. George said regulations also required board action to be preceded by full hearings.

"All my information is," Sen. George said, "that price ceilings will not be imposed on tobacco."

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JUNE WHEAT FLOUR OUTPUT 4% OVER MAY, Washington - June wheat flour production totaled 17.5 million sacks, an increase of 4% from the 16.9 million sacks reported for May. The estimate is based on reports from 1,030 mills out of 1,107 which reported in May, the Census Bureau said.

The monthly grind of wheat increased from 36.2 million bushels in May to an estimated 37.6 million bushels in June. Offal production advanced from 246,000 to 255,000 short tons, reversing the course of wheat milling activity since March.

Of the 1,030 reporting mills, 140 were idle. Wheat flour production during the crop year which ended June 30 totaled 264 million sacks against 253 million sacks for the 1944-45 crop year, an increase of 4%.

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From The Boston Christian Science Monitor, July 23 -

FORECAST OF BUMPER AMERICAN CROPS HOLDS PLEDGE OF MORE BREAD AND MEAT-Washington-America's "fields of golden grain" are ripening with a promise of record crops for 1946 and giving rise to predictions of an early return of whiter bread -- and plenty of it -- to bakers' shelves.

So far it's only an estimate on paper, the Department of Agriculture advises guardedly. There's sometimes many a slip between the field and the bin. But if present "favorable to ideal" weather keeps up, farmers will reap a harvest of corn and wheat such as never before has been heaped into the bins of this nation.

It gives promise of the early lifting of restrictions on millers -- meaning more flour for the American miller and American housewife.

It gives hope for the return of whiter bread. It promises more feed for cattle, bringing eventual return in more meat and an increase in fat and oil production.

It may make possible a larger allocation of wheat for foreign purchase. Present allocation of the Department of Agriculture allows for 250,000,000 bushels of wheat for shipment abroad.

It is too early yet to say whether this figure can or need be increased, according to an Agriculture Department official. There is still the possibility of blight or borer, he warned.

At the United Nations Relief and Rehabilitation Administration doubt was expressed whether this bumper crop would be harvested in time to be of any great help in Europe.

By that time, European harvests will be coming in, and the grain situation there may be fairly well taken care of, it was stated. Harvests there also promise to be good.

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OPA COMPROMISE-Editorial-The substitute OPA bill framed by a conference committee is the product of political confusions and cross-purposes. Congressmen did not quite dare to kill price controls openly, and then go home to face consumer constituents. But they did not want to restore controls on the chief products of their home States, and then go home to face producer constituents. So we get a curious hodgepodge, but a better bill than seemed possible a week ago.

Congress has corrected the worst faults of the Taft amendment which the President denounced in his veto and has eased the straitjacket decontrol features. It has left the possibility of some curbs on prices of basic raw materials which will be short for many months. This alone may make a crippled OPA worth keeping. And the progressive dropping of subsidies should have advantages.

Yet the bill leaves a mare's nest of uncertainties. It has shifted prime responsibility onto a decontrol board. But whether it will be practicable to restore ceilings which have been blown to bits in recent weeks is a serious question. Moreover, the discriminations as between commodities appear hard to explain on any ground of fairness or economics. Prices have really become political footballs.

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From Watertown (N.Y.) Daily Times, July 22 -

THE NEW OPA BILL-Editorial-The house and senate conferees have drafted a new OPA bill which most Washington correspondents agree is a less effective price control measure than that which President Truman vetoed a few weeks ago. Yet report has it that the president will sign the bill "reluctantly." It is another example of poor judgment on the part of Mr. Truman. He passed up the better of the two measures and now is forced to accept the least desirable of the two.

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From Chicago Daily Tribune, July 23 -

UNRRA RED LAND OF GIFTS, SLAVS TAUGHT-Rome, Italy, July 22-UNRRA is the name of a region deep in Russia beyond the Urals, a region laced by streams of milk and honey and producing enough food and other commodities to take care of all the good Communists, big and little, in Yugoslavia.

This fairy tale is taught as truth and part of the Red credo to youngsters in one Belgrade school, and is indicative of the attempts made by Marshal Tito's soviet backed government to keep the Yugoslav people in ignorance of the fact that the bulk of UNRRA supplies comes from America and Britain.

American UNRRA officials in Yugoslavia also have run into difficulties in trying to inform the people that the supplies come in free and that if they are being sold, as they are and sometimes at high prices, it is because that is the policy of the Yugoslav government.

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From The Kansas City Star, July 22 -

TO PROLONG CONFUSION-Editorial-The OPA revival bill put out by the House and Senate conferees represents an effort to pull out of a bad mess on the whole business of control and to get by the November election date with some kind of stopgap arrangement. The bill is far less satisfactory than the one vetoed by the President at the end of June, which action has meant no control for the last three weeks. If the President should sign this latest bill it would only be in the desperate hope that it might turn out to be better than nothing.

The best thing that can be said about the bill is that it would restore rent ceilings; and that should include adjustments that would be fair to landlords and tenants alike. As for the rest, everything is confusion. There is, of course, public unrest over price increases that have come in the absence of control. Most of these relate to food and are explained by the removal of subsidies. But in time they doubtless would be adjusted and the whole price level would finally be governed by competition and by the law of supply and demand.

Aside from the rent ceilings, any effort to restore control now is exceedingly doubtful in value. The attempt to roll back prices would involve highly complicated administrative problems and create endless confusion for weeks, if in the end it could attain any fair degree of success at all.

The problem of meat and other foods is particularly aggravated. When the OPA had control of prices it created shortages in meat and virtually made it impossible for legitimate packers to do business. The trade had been taken over largely by the black markets, with prices charged accordingly.

But it is probable that the worst on price already has happened and that the next few weeks or months at best might see a steady return to something like normal conditions. The revival bill would upset any such possibility and after a few months the experience of the last three weeks would be repeated all over again. As the matter stands only a return of the rent ceilings could be fully justified. Everything else is problematical.

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From The Uniontown (Pa.) Independent, July 19 -

MILK PRICES ARE INCREASED; FARMER-PRODUCERS WILL GET 80 PER CENT OF THE RAISE-The Pennsylvania Milk Control Commission has posted orders advancing the minimum consumer price for doorstep delivered milk 3 cents per quart generally over the State and 4 cents in the Hazleton deficiency producing area.

Beginning next Monday, July 22, the authorized delivered retail milk price in Pittsburgh, Reading and Allentown will be 19½ cents a quart, 19 cents in all other urban areas and 18 cents in a few rural counties.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From The New York Times, July 26 -

TRUMAN SIGNS THE OPA BILL; IF INEFFECTIVE HE INTENDS TO CALL A SPECIAL SESSION-Washington-President Truman signed the Price Control Bill shortly after it reached his desk today--"reluctantly," he said in a message to Congress, because it fails to assure the maintenance of stable prices.

The President stated in his message that if the combined efforts of the Government and the people under the new law failed to prevent inflation, "I shall have no alternative but to call the Congress back into special session to strengthen the price-control laws and to enact such fiscal and monetary legislation as we need to save us from the threat of economic disaster."

In signing the bill Mr. Truman ended a twenty-five-day hiatus in Federal price and rent controls, revalidating Office of Price Administration regulations and price schedules, with specified exceptions, that existed when the agency expired June 30. The legislation revives the OPA, with drastic restrictions on its powers, until next June 30.

The President announced that a news conference that he would name members of a Decontrol Board, created by the bill, within a day or two. He said he had made up his mind on the selection of two members and was now trying to get the third to accept.

The board, which will have power to order price controls removed from any commodity and to restore ceilings on exempted items after Aug. 20, will be an unpacked jury, Mr. Truman told reporters in reply to a question. He said nobody connected with the OPA or the Office of Economic Stabilization would be appointed.

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BUSINESS PLEDGES OPA COOPERATION-The "rebirth" of the Office of Price Administration found business and industry spokesmen eager yesterday to cooperate but unanimous in their belief that the new legislation would fail unless price increases were allowed and OPA officials adopted a "realistic attitude" that acknowledged the profit incentive and the competitive spirit.

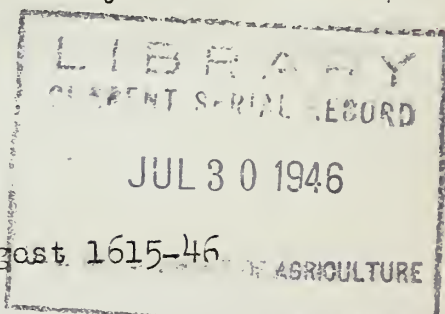
It was generally agreed, too, that business interests should recognize that the future of price control depended in part on the extent to which prices range in the next few weeks on meat, dairy products and other items now exempt but facing re-controls on Aug. 20.

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MEAT INDUSTRY SEES CONFUSION-Chicago-The law reviving the OPA "restores uncertainty and confusion in the livestock and meat industry as it gradually is working its way out of the chaos and shortages created in it by four years of OPA," the American Meat Institute said today.

(Turn to page 2 for other items
in today's N.Y. Times.)

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From The New York Times, July 26 -

CANADA QUALIFIES WHEAT DEAL TERMS--Ottawa--A four year wheat contract between Canada and the United Kingdom for nearly \$1,000,000,000, and containing provisions aimed at meeting American objections, was announced today.

The deal provides that its terms "shall be subject to any modification or amendment that may be necessary to bring it into conformity with any international agreements or arrangements hereafter entered into to which both governments are parties."

This escape clause was understood to have been inserted after negotiations broke down a month ago following American objections that such a deal would be against the spirit of multilateral free trade.--London-- The British Government regards the four-year wheat contract with Canada, announced today, as a test case on the compatibility of Britain's state trading program with the principles embodied in the United States proposals for a world trade charter, John Strachey, Minister of Food, said in an interview today shortly after he had presented the terms of the agreement to an approving House of Commons.--Washington--American officials viewed with a good deal of dislike and suspicion today a newly announced British deal for 600,000,000 bushels of Canadian wheat in the next four years with a guaranteed floor under prices.

And on Capitol Hill Senator Kenneth S. Wherry, Republican, of Nebr., spoke for a lawmaker group of undetermined size which saw the agreement in the final analysis, as a purchase of Canadian grain with American dollars from the recently granted \$3,750,000,000 loan.

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BIG WHEAT SUPPLY IS URGED FOR INDIA--Washington--The American Famine Mission to India, headed by Dr. Theodore W. Schultz, returned here today from its 30,000 mile famine inspection flight and reported both to Secretary of Agriculture Clinton P. Anderson and to D. A. Fitzgerald, Director-General of the International Emergency Food Council, that the United States should export to India a minimum of 750,000 tons of wheat with the greatest possible speed to prevent collapse of the ration system for 160,000,000 people.

At a press conference Dr. Schultz said that Secretary Anderson has assured him that 500,000 tons of American wheat was "in the cards" for India. He also said that the Secretary did not consider the entire estimate unreasonable, and that a telegram from former President Herbert Hoover raised the question if it were not too small.

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LIMIT ON PRICE CHANGES FOR COTTON TO BE RAISED--Effective on next Monday prices on futures contracts on the New York Cotton Exchange may fluctuate 200 points, or \$10 a bale, above the below the previous day's closing levels, instead of the currently permissible 100 points, the board of managers of the Exchange announced yesterday.

Present market activity and the termination of the war make a wider maximum trading range expedient, the Exchange statement declared.

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From the New York Journal of Commerce, July 26 -

BREAK IN COTTON FEATURES LAST OPA-LESS TRADING DAY - Trading in most commodity fields came to a standstill yesterday as merely the formality of President Truman's signature remained to restore OPA to power.

How long business will remain paralyzed is now largely up to OPA. Little new business will be transacted until ceiling prices have been adjusted.... Price fluctuations yesterday were small with the exception of cotton which, for the second consecutive day, broke 100 points.

The Journal of Commerce daily price index sagged to 239.2 yesterday. Thus it ended the OPA-less period with an advance of 18.3 per cent. Actually, however, the increase for this period amounted to only 8 per cent if allowance is made for the fact that many food and metal prices on June 28 contained subsidies or were quoted considerably above ceiling in the black market.

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REPORTED OPA VIEW ON COTTON GOODS PROFITS DISTURBS MARKET - Reports from Washington outlining the method that OPA intends to use in determining a "reasonable profit" for cotton textiles, as required in the third section of the Bankhead amendment price formula, are disturbing to say the least.

In establishing new ceilings, this amendment states that prices must show producers a reasonable profit "which is to be not less than" a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive."

Price officials indicate that the "reasonable profit" will be the same profit, in dollars and cents, that such item brought in the base period. It boils down to the same cents per yard or pound return that was realized in the 1939-41 period. With prices today considerably higher than at that time, it means a smaller percentage return on sales.

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COTTON DOWN LIMIT FOR SECOND DAY - Yesterday, for the second consecutive day, New York Cotton Exchange futures market prices closed off the permissible daily limit of 100 points, or \$5 a bale.

During the past few days most of the selling had been on orders of commission houses, but yesterday a greater percentage of hedge selling orders was noted as mills were hesitant on the matter of possible textile price roll-backs by OPA.

Toward the close, it was estimated by traders on the floor of the Exchange that 110,000 bales were being offered for sale, with practically no takers. From New Orleans it was reported that approximately 60,000 bales were pressing for sale.

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BUTTER PRICES UP ON BETTER DEMAND - Butter market rallied further under an accumulation of demand following the recent sharp decline, and the position at the close seemed well supported.

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(Turn to page 4 for other items from today's N. Y. Journal of Commerce.)

Farm Digest 1615-46-3

From the New York Journal of Commerce, July 26 (Cont.) -

SUGAR PRICE RISE HELD PROBABLE - Return of OPA to power will mean nothing at all to sugar interests. The sugar program is directed by the Secretary of Agriculture and is tied in with the crop purchase program. This program may result in higher prices for sugar over the next six months, in the opinion of some sugar observers.

Since Congress will not allow subsidies beyond what already are being paid, CCC will not be able to keep prices down, it is held. CCC will have to add the price to present levels, and in turn pay more to Cuba.

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ADVANCE IN OATS FUTURES CONTINUES - Oats futures rose 3/4c to 1 7/8c per bushel at Chicago yesterday with buying stimulated by an active inquiry in the cash market and indications that further export business may be in the offing.

The corn futures market was again comparatively quiet despite strength in the cash market....While barley dropped the permissible 5c limit for the second successive day on offerings induced by expectations of new crop receipts....

Several European countries, including the Netherlands, Belgium and Switzerland, were reported to be asking for daily quotations on oats and it was expected that a sizable export business will materialize with those countries as soon as export licenses are made available.

Indications were that some traders were taking a long oats position in anticipation of this export business.....

Beneficial rains fell over parts of the corn belt; temperatures had moderated in western Canada where a leading trade authority predicted a 502,-000,000-bushel wheat crop, compared with only 282,000,000 bushels last year, although this estimate was expected to be shaded somewhat as a result of recent frosts, and Russia was reported from England to be preparing to offer wheat for export.

In addition to these developments which normally would have a depressing influence upon prices, it was reported that wheat yields in France were heavy and that little or no wheat would be required from the principal exporting countries.

The belief was growing that demands for United States wheat and flour for export during the 1946-47 season would fall short of the tentative 250,000,-000-bushel goal fixed by the Department of Agriculture and hopes were voiced that handling of wheat exports would be returned to the established trade.

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HAY AND FEEDS - Offerings of by-product feeds and feed grains have expanded very materially recently aided by the much higher prices prevailing in many instances and the improving supplies resulting from large harvests and increased receipts.

However, most buyers were limiting their purchases to immediate needs in anticipation of restoration of price controls, the availability of pasturage and reductions in over-all feed needs.

Millfeeds were available in fairly plentiful supply with the New York price level held around \$77.50 per ton, bagged, with some contracting reported subject to rollback or cancellation. Ground oats were quite freely offered at reduced prices, reflecting the large crop of that grain and a considerable drop in cash values.

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From The Topeka Daily Capital, July 22 -

BECAUSE OF CONTINUED SHORTAGE OF BOXCARS WHEAT ROTS ON GROUND-Kansas City, Kan., (AP)--Declining prices and a continuing shortage of boxcars in some sections have tended to retard the flow of grain off farms in the nation's biggest wheat-producing state, Kansas.

The bulk of wheat now, however, is under cover and ample storage space has been reported by large grain elevator operators. But because of the boxcar shortage much grain is still piled on the ground — with some of it spoiling.

Some elevator operators said they expected farmers who have home storage facilities to hold the wheat for higher prices. They declared that many farmers have expressed dissatisfaction with the price, which fell steadily during the last week.

No. 2 dark hard wheat sold on the Kansas City market last week from \$1.94 to \$2.08, as compared with a recent top of \$2.12, which was up about 20 cents since OPA ceiling prices went off July 1.

Joe Fleming of Hutchinson, vice president of the Gano chain of ninety elevators, estimated that 60 or 70 per cent of this year's wheat crop is still on the farms.

Fleming believes that all wheat stored on the ground will be moved to elevators before August 1. Most country elevators are full of wheat, due to the continued car shortage, but Hutchinson terminal elevators are only one-third filled.

Modern harvesting methods, which permitted combining as much as 20,000,000 bushels in one day, was one reason for the wheat jam at country elevators two weeks ago, Moe added. The unusually large crop also was a factor.

The Hays city flour mills report the grain car shortage in the northwest part of Kansas as only slightly less critical than a week ago. With much wheat still on the ground there, spoilage is high due to lack of facilities for turning.

J. W. Cain, president of the Midland Flour Company in Kansas City, believes the spoilage rate this year from improper storage will be the highest ever known.

"We operate elevators in Oklahoma, Kansas and Missouri and are finding it hard to keep wheat in proper conditions," Cain said. "The farmers are cutting with a high moisture content due to heavy rains and it may easily spoil in the bins."

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From Boston Herald, July 19 -

SUGAR AND COFFEE-Editorial-What is happening to sugar and coffee affords an enlightening case history in the effects of governmental controls. Sugar has been subjected to a variety of bureaucratic interference by so many agencies that the result has been a kind of scrambled egg control. Coffee has had far fewer restraints on it.

Today we have plenty of coffee at the old ceiling price, and keen competition in the trade will keep it from rising more than a few cents. Sugar, which is still under pretty rigid controls despite the demise of OPA, is very scarce, and those who know predict no adequate supply before 1948.

Of course, that is pressing the comparison closely. The loss of the Philippine and Java production, the Cuban drought and the drop in European output drastically reduced the world supply. But in past years, the world production has been an unmanageable surplus, and it is difficult to believe that in a free market Cuba, Puerto Rico and our own continental producers of cane and beet could not have filled in a vast share of the shortage.

But the government reduced cane and beet acreage in the United States early in the war and held down the Cuban price by long dickering that discouraged planting there. The present Cuban contract, signed a few weeks ago, was delayed so long that the island halted shipments, and while the price is better it is not at a level to encourage peak production.

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From St. Paul Pioneer Press, July 23 -

U FARM EXPANSION-Editorial-Day-to-day experience keeps piling up evidence that a real program of expansion of the Minnesota College of Agriculture should be brought before the next Legislature.

The Minnesota Farm Bureau already has declared itself for such a program. Such a program should carry a strong appeal to consumers, who share quickly in each big improvement in food production. The support would be widespread because every part of the state is concerned.

As new evidence of the need, take the facts about the revolutionary advancement in hog breeding.

Those facts constitute a remarkable demonstration of the great present value and surpassing potential value to this state of the College of Agriculture. But the question whether Minnesota will take full advantage of its opportunity for large economic gains from the new methods of hog production brings the need for college expansion sharply into view.

The story in a nutshell is that a history-making job in perfecting methods of breeding purebred swine and in developing superior lines and crosses has been done at the University Farm and branch experiment stations. That job of Prof. W. H. Peters, Dr. Laurence M. Winters and other geneticists makes possible annual savings on hog production running up to 20 per cent of feed costs and additional substantial gains on quality of meat increases in size of litters and reductions in death losses. Think what that could mean to Minnesota farmers! In times of high feed costs, the savings might make 10 million dollars a year look small.

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From New York Herald Tribune, July 25 -

LAGUARDIA LAUDS BREAD RATION-Rome-F. H. LaGuardia, director general of United Nations Relief and Rehabilitation Administration, declared today that Britain is "acting prudently, wisely and realistically" in rationing bread at this time. He spoke at a press conference immediately before taking off for a one-day round-trip flight to Milan.

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From Chicago Daily Tribune, July 24 -

BRITONS REFUSE TO BUY RATIONED BREAD; IT SPOILS-London, (AP)-Many Britons refused to buy bread and cakes today, and a delivery men's strike spread to two more areas amid mounting complaints against the three day old bread rationing system.

The buyers' strike left an increasing number of bakeries and stores with stale supplies of cakes and bread.

In west Scotland, housewives delayed their purchases until late afternoon in the hope that bread loaves and pastry would be sold off without coupons, but ration division food officials announced that there would be no relaxation of the rules.

A number of London bakeries sold cakes without coupons in spite of the possibility of legal action against them. In one shop window, piled high with drying loaves, a sign read: "Owing to bread rationing, all this bread is wasted."

Two Groups of British delivery workers at Camberwell and Stamford followed the example of Northern Ireland "roundsmen" and struck in protest against longer work hours caused by having to collect coupons for bread.

Northern Ireland bakers voted unanimously in Belfast tonight not to join in the strike.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From The New York Times, July 29 -

NEW OPA CONFUSES LARD, FAT MARKET-Chicago-The cash lard, fat and oil situation has become confused again as the result of the signing of the new Office of Price Administration measure, and while the lard and other markets cannot be affected for about three weeks, both buyers and sellers have adopted a conservative attitude, especially in trying to secure supplies at high prices that cannot be consumed before the government agency can reimpose price regulations.

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RECORD CORN CROP LIKELY-Chicago-A record corn crop of 3,487,000,000 bushels as of July 15 is forecast by the Department of Agriculture, but developments last week suggested that this figure would have to be reduced in the returns to be issued on Aug. 10...The decline, however, is not expected to be severe unless hot winds develop in the next few days. There is pronounced dry weather in some sections of the Central West, West and Southwest, and some deterioration has occurred in the last area, but there still is time for a virtually full recovery in some of the sections where dry weather has caused the plant to curl.

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TRADERS IN WHEAT AWAIT OPA ORDERS-Chicago-Signing of the measure restoring life to the Office of Price Administration for another year resulted in confusion in the wheat and flour market, and it is expected to be several days before the revived Government agency can issue orders that will clarify the situation.

Elimination of the Government subsidy paid to mills on wheat ground into flour is a prime factor in curtailing offerings by mills, although no ceiling price can be put into effect on wheat until Aug. 21.

Elimination of the subsidy resulted in an advance of about \$1.03 for a 100 pound sack of flour, which mills passed on to buyers, and unless the subsidy is restored it is believed the consumer will be forced to pay more for bread. However, latest estimates on the new wheat crop suggest that there will be an ample supply of that grain available for the domestic trade as well as for export and still leave a liberal carryover.

Brokers see in the latest official reports on the wheat situation a quick return to larger loaves and whiter bread unless the OPA and other Government agencies prevent such action. Much is said to depend on the price ceiling placed on corn, if any, by the new control board, and if this price is out of line with wheat, it will force increased farm consumption of wheat, which will cause a decided change in the current situation. It was the Government policy of selling wheat at relatively low prices compared with corn, in order to increase feeding of livestock that is said to be partly responsible for the shortage in wheat that occurred during the 1945-46 season.

(Turn to page 2 for other items in today's N.Y. Times.)

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From The New York Times, July 29 -

5-DAY TRADE WEEK COSTLY TO FARMER-Peter J. Klein, president of the Long Island Farmers Institute, charged yesterday that New York City residents had been deprived of Island grown sweet corn over the week end because wholesale markets, which operate on a five day week, were closed Saturday.

Mr. Klein, who said that Long Island farmers had to "watch 750,000 ears pass their sweet prime and get tough," declared the wholesalers' five day week precluded summer week end deliveries of perishable foodstuffs.

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AIRPLANE WILL FLY CATTLE TO GREECE-A purebred Jersey bull calf and two heifers will make transportation and animal husbandry history when they take off from Newark Airport on Aug. 17 in a Veteran's Air Express plane for Athens to form the nucleus of new Greek dairy herds.

This will be the first time that cattle have been transported so far by air and it will be the first time that American Jersey cattle blood has gone eastward, most of the Atlantic crossings of the breed having been made from the Channel Islands to enrich American herds.

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GROUP ASKS U.S. FREE FOOD FOR GERMANY-Paterson, N.J.-Because much of the food in one million pounds of food and clothing addressed to German war suffering is spoiling while the consignment lies in New York warehouses, the Passaic County Committee for Christian Action in Central Europe will renew an appeal to Secretary of Commerce Henry A. Wallace for action. The committee seeks to force the Office of International Trade of the Department of Commerce to permit delivery of the sixty thousand bundles to their destinations.

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From The Wall Street Journal, July 29 -

HIGHER LAND PRICES 'CAN'T PAY OFF,' MOST CORN BELT FARMERS FEEL-Washington-Three out of four corn belt farmers think land bought at prices higher than today's quotations can't be made to "pay off."

A survey of farm opinion by the Department of Agriculture found a majority of farmers opposing further increases in land values as "dangerous."

The Government asked: "How much higher can land prices go and still allow the land to pay out?"

Twenty-eight percent said land values are too high now.

Another 46% opposed further advances because land prices are "high enough."

About 14% of farmer claimed further increases--some said by as much as 40%--would be economically sound. The remainder hedged or had no opinion.

These conclusions were revealed in a summary of the survey which the Agriculture Department's Bureau of Agricultural Economics made during the last months of 1945.

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RISE IN COMMODITY PRICE LEVEL NOT LIKELY TO EXCEED 10P.C. OVER
BALANCE OF CURRENT YEAR - Where will the commodity price level go from here?

The ceiling rollback ordered by OPA last Friday upon its return to power drove the wholesale price index--as measured by The Journal of Commerce Weekly commodity index--down slightly more than $3\frac{1}{2}$ per cent.

This index closed the week at 132.6 of its 1927-29 average. If the rollback would not have come, it would have been 137.5 last Friday.

Regardless of OPA's future attitude on price adjustments, there is little doubt that the advance canceled out by rollback will soon be regained.

This a foregone conclusion because nearly all industries--during the OPA-less interim--kept their price advances in line with yardsticks established by the old-model OPA.

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RELIEF FOR FOOD INDUSTRY FORECAST - Current uncertainties in the food industry may be relieved shortly because of the easing of famine abroad, as Europe's second postwar crop is harvested, and of favorable prospects for an abundant crop year in the United States, Harry A. Bullis, president of General Mills, Inc., said yesterday upon release of the company's annual report to stockholders for the fiscal year ended May 31, 1946.

Despite a slowdown, the company reported peak sales of \$298,791,766, which figure is approximately 6.3 per cent above levels reported in previous record sales years ended May 31, 1944 and 1945.

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U.S. SCIENCE DEPT. ASKED BY A.C.S. - Creation of a Federal Department of Science headed by a secretary with cabinet rank is advocated by a report of the American Chemical Society.

"Science is the most important element in our modern life, and, whether we like it or not, we must accept the fact that Government is going to enter more and more into activities which it formerly ignored," it is declared in the current issue of Chemical and Engineering News, a publication of the Society.

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OPA MUST NOW PRICE COTTON FABRICS TO PROTECT MILLS ON STAPLE COST . Cotton textile mill and selling house representatives will convene in Washington today, at the request of OPA, to confer with pricing agency officials on a definition of "current cost" of raw cotton.

In arriving at conversion costs and a fair profit margin to determine new ceiling prices for cotton goods, OPA has an easy chore compared with deciding what price to set for the raw material that goes into fabric production. Under the Bankhead amendment it must add these three components and come up with a cloth price. Inasmuch as cotton is selling above parity, the pricing agency must figure on the basis of "current cost."

With cotton out from under any price control or possibility of regulation, the problem is similar to trying to drive a team of horses, one of which is a wild animal.

Despite the difficulties involved, the industry should insist on a settlement of this problem on a basis that is satisfactory to operations. The law now requires that parity or current cotton costs, whichever is higher, be included in ceiling prices. Failure to adequately reflect actual market cost of the raw staple in the past has accounted for most of the differences that have arisen between pricing officials and Washington.

(Turn to page 4)

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From the New York Journal of Commerce, July 29 (Cont.) -

COTTON CONFUSED ON PRICE CONTROLS - Cotton futures broke almost \$20 a bale under heavy liquidation last week as price controls once more were established. Market sentiment was confused. The trade hesitated to make nearby commitments pending clarification of OPA policy under the new law. Western interests appeared to unload newly acquired options. A large number of stop-loss orders were released as prices fell.

Losses of 100 points for three days in succession, the maximum permissible daily decline, were recorded late in the week. These declines counterbalanced to some extent the 100-point advances registered previously since July 1.

The general rollback to ceilings prevalent on June 30, ordered by Price Administrator Paul Porter on Friday, appeared to confirm the position taken by mills during the week. Informed quarters last night believed that cotton textile prices would remain at these levels until Aug. 31, unless immediate action was taken by the administrator to revise them upward under the provisions of the act applicable to such products.

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RICE MARKET - Weather conditions are extremely favorable throughout the Southern rice belt area, and as a result the trade believes that production may exceed that of last year, for the crop now is close to maturity.....

There was no spot trading on Saturday. OPA announcement of rollback of prices to 1945 ceilings did not affect the trade materially. Leading mill agents, wholesalers and distributors have not been able to offer for some time, while the sales made the past few weeks were mostly limited quantities and originated mainly from small operators at Southern points,

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OPA NOT PLANNING EXPORT "BAIL-OUTS" - No bail-outs for exporters will be authorized to take into consideration above ceiling prices that may have been paid during the interim period until the new price control law became effective last Friday, an OPA official declared over the week-end when questioned on this point.

Where a bail-out is authorized domestically, this relief will automatically be passed on to the exporter, it was explained, but no special consideration for the exporter as such is contemplated.

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From the New York Journal of Commerce, July 27 -

COTTON AGAIN DROPS \$15 BALE IN THREE DAYS OF TRADING - Futures opened stayed, and closed at the 100-point limit decline from the previous day's trading on the New York Cotton Exchange yesterday, bringing advanced positions down below the 30 cent level.

Cotton has declined \$15 a bale in three days. Continued outside interest liquidation in the face of restoration of textile price ceilings forced the sharp drop, observers stated.

In the meantime, it was reported from Washington that OPA has interpreted the new legislation as prohibiting the placing of a ceiling price on raw cotton. Thursday, certain trade interests thought they had found a loophole which might permit a cotton ceiling but this was denied by OPA spokesman. It was also said that OPA will not restore the high cotton margin trading regulation which traders had regarded as excessive and had attempted to have declared illegal. The margin order had been issued at the request of the Department of Agriculture.

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From Watertown (N.Y.) Daily Times, July 24 -

PRICE CONTROL -- OF A SORT-Editorial-We are assured of a watered down variety of price control for another year. How effective it will be, the very terms of the bill make uncertain.

For example, there is the problem of meat, dairy products and other essential foods. Here congress has shifted responsibility to a so-called decontrol board to be named by the president and ratified by the senate. Controls on these foods are to be restored on August 20th, unless the board decides against it.

The strongest kind of pressure will be brought against the board by selfish interests to keep the controls off. Already we have a sample of what we may expect. The American Meat Institute says that if controls are re-established on meat, the black market will flourish again. The American Dairy association says that the moment controls are restored on milk and milk products, production will drop.

The farmers, according to D. T. Wilson, president of this association, "feel more secure without subsidies." Most farmers, who have learned from long and bitter experience how insecure they are when they depend upon the dealer setting the price, will disagree with him. The subsidy means security and a stable market. Skyrocketing retail prices means an unstabilized market and price uncertainty.

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From The Boston Herald, July 25 -

AFTER THE OPA-Editorial-After the new OPA, what? Will many of its champions urge an extension of an additional year, ending in the summer of 1948? Will rent ceilings, price controls, subsidies and restrictions on the legitimate play of competitive economic forces be again retained, wholly or in part? Will various activities be nationalized, not formally and officially and in terms of nationalization, but bureaucratically and indirectly? And will Congressmen again dawdle and finally enact a modified OPA as an escape from pressure groups?

It is almost a year since active war operations ended in the Pacific. It will be two years before the amended OPA will expire by statutory limitations. Two years, that is, of narrowly-channeled economy! Two years of a possible drift toward a semi-Socialization in various fields! It is not developments during the next 12 months but the effect of them on the national outlook which will determine our course in the next decade or two. Passing the OPA in its present form, Congress is merely evading for a year the problem of restoring the prewar status of the American system.

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From The Davenport (Ia.) Democrat and Leader, July 24 -

CORN CROP IS 10 DAYS AHEAD OF NORMAL-Des Moines, Ia. - (AP)-Iowa's prospective record-breaking corn crop, estimated this week to average 61 bushels to the acre, averages about 10 days ahead of normal in maturity as a result of perfect crop weather this month, the Iowa crop and livestock reporting service said Wednesday.

"The ordinary decline in condition of the crop during the month of July because of lack of sufficient soil moisture and high temperatures has not occurred to date and growth has followed a favorable advancement time schedule," the service reported as of the end of last week.

Approximately 13 per cent of the corn acreage is well into the tasselling stage and about five per cent of silking is shown, the report continued. Tasselling is most advanced in the west central and southwestern areas with reports showing 40 and 39 per cent there respectively.

From Chicago Daily Tribune, July 25 -

SPURN PROTEST ON EXPORT OF U.S. TRACTORS-Washington, D. C.-Shipment of American built tractors to the Russian dominated countries of eastern Europe will continue despite the protest of the largest supplier that American farmers need them more and can use them to a far greater advantage.

This was disclosed in a letter to C. G. Hoyt, vice president of the International Harvester company, Chicago, from Arthur U. Sufrin, chief of the farm machinery and equipment branch, equipment division, civilian production administration. The letter was made public tonight by CPA.

Hoyt had written to CPA asking the UNRRA export of tractors be halted so that American requirements might be met first. Sufrin, in his reply to Hoyt, said every point raised by Hoyt had been "discussed and analyzed at great length."

In view of its findings, Sufrin said, CPA has no intention of changing its order of July 1 which established limits on United States tractor exports for this year and provides 14,500 tractors be set aside for UNRRA.

Hoyt had written CPA that Poland, Yugoslavia, Albania, Czechoslovakia, and Greece, the countries destined to receive the bulk of the tractors, could not make full use of them. He said the tractors are badly needed in the United States.

Sufrin said that "a number of other producers" in addition to International Harvester had made the same point, and that "representatives of domestic agricultural interests" had argued that CPA export allocations were "too high."

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From The New Orleans Times-Picayune, July 24 -

NEW OPERATORS OF FARMS BALANCE THOSE WHO RETIRE-Baton Rouge, La.-Only enough new farm operators are entering the field each year to balance the number who retire, agricultural teachers from all sections of Louisiana were told here today as they convened for their first postwar conference.

The assemblage, which included 60 specialists employed to assist former service men in rehabilitating themselves to farm work, heard R. E. Naugher, agricultural education specialist of the United States office of education outline the problems of their profession.

The conference, is being attended by approximately 200 agricultural teachers and leaders.

"One of the most important responsibilities of those teaching agriculture," Naugher said, "is that of reaching the young farmer who is just getting out of school and who should receive follow-up in instruction."

The 175,000 new farmers each year, he asserted, are just about equal to the number of farmers who retire annually after an average of 35 years of service on the farm.

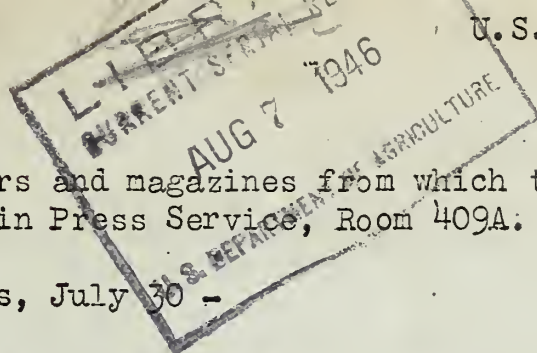
"Outside assistance in the form of setting general standards," he continued, "is important to agricultural educators, but the problem of planning local educational programs must be solved by the community itself."

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From Chicago Journal of Commerce, July 25 -

HUMBUG PRICE LAW-Editorial-Congress has produced a humbug so-called price control law. The new law cannot control prices and it cannot assure production. It probably will not end the uncertainty which has hung over the markets since efforts to revive the Office of Price Administration took shape.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 409A. Phone Gene Harrison at 6212.)

From The New York Times, July 30 -

BRITAIN IS DEPENDING ON MORE U.S. WHEAT-London-Without the 175,000 tons of wheat promised by the United States for delivery during August, Britain would be "bankrupt of wheat," John Strachey, Food Minister, said at his press conference today. This delivery, he said, will bring Britain's stock of wheat up to half a million tons.

Mr. Strachey stated that Britain's stock position at the end of August was not likely to be any easier than was forecast when bread rationing was announced.

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LA GUARDIA SAYS RUSSIANS CURB UNRRA-Vienna-F. H. La Guardia, the Director General, of the United Nations Relief and Rehabilitation Administration, said today that observers of the relief agency had not received the right to go freely into the Russian zone of eastern Austria, but added:

"I am going to see to it that they get that right."

He said at a news conference that he was investigating to determine whether the full natural produce of eastern Austria was being used for the nation's relief and recovery, as required by UNRRA, or being diverted.

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A 30% RISE SOUGHT IN FAMILY RELIEF-Executives of New York's seven private welfare agencies called on Commissioner of Welfare Edward E. Rhatigan yesterday to press for an immediate 30 percent increase in the public relief budget to meet the recent rise in basic living costs.

The group noted that increasing food costs are forcing thousands of families either to subsist at dangerously low living standards, or to use their available funds for food rather than to meet gas, electricity and rent bills.

For a family of four, including a man and wife and two children, the private agencies now provide \$122.80 monthly to cover food, rent, gas and electricity, cleaning supplies, clothing and personal incidentals, as compared to an allowance of \$99.05 from public funds.

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LOW GRADE MEAT GLUTS CITY MARTS-Despite an oversupply of meat in New York City so big that some wholesalers were reshipping it elsewhere at a loss of 5 to 8 cents a pound, housewives found prices on desirable grades yesterday still far above the former ceilings.

The glut at wholesale, it developed, was mostly low grade meat from stringy, grass fed animals--meat of a taste and toughness that New Yorkers customarily shun.

Wholesalers, with huge stocks of the low-grade meat in their warehouses, offered price concessions but reported that local retailers were refusing the cheaper cuts "at any price." They said there was "not too much" of the better grades of meat. The city Department of Markets reported porterhouse selling at from 59 to 89 cents a pound.

(Turn to page 2 for other items in today's N.Y. Times.)

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From The New York Times, July 30 -

FOOD REMAINS A CHALLENGE-Editorial-Last week's announcement of UNRRA's impending dissolution may have led some readers to conclude that the world's food emergency is about over. Of course, this is not the case. UNRRA is to stop operations in Europe at the end of this year and in Asia at the end of March, 1947, because it was an emergency agency to meet immediate post-war needs and because those were the dates set for it. A long term job still lies ahead and a great deal that UNRRA has been doing will have to be taken over by other agencies.

Whatever the future systems or arrangements, we cannot safely forget about the world's food. International food agencies must be as ready as a city fire department to come to the rescue when trouble develops, and as ready as a city health department to prevent trouble. There will be a food crisis, in some degree, as long as large populations anywhere are near the hunger line.

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GRAIN PRICES RISE WITH RAIN LACKING-Chicago-Unfavorable reports from parts of Nebraska and Iowa where rain is said to be badly needed to prevent deterioration in the outlook for the new corn crop brought in sufficient professional buying on the Board of Trade today to lift futures 1 1/4 to 1 1/2 cents a bushel.

There was comparatively little pressure at times. Shorts took advantage of the dips to cover their lines, and some are understood to have taken the bullish side for a turn, not liking the character of the crop comments. Some sections of the main corn belt have had little rain in the last month.

The July 15 outlook for the corn crop was for 3,488,000,000 bushels, by far the largest on record, but the critical period of growth in the Central West will come during the next two weeks, crop experts say, and unless rain falls soon it is feared the yield will have to be revised downward.

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WHEAT PRICE PEG OFF-Ottawa-Trade Minister James MacKinnon announced today in the House of Commons the removal of the pegged price of \$1.55 a bushel for Canada's export wheat sales, except to Britain, and said a serious effort would be made to sell at prices "roughly corresponding" to those of the United States. The U.S. price for export wheat sales now is more than \$2 a bushel.

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From the New York Herald Tribune, July 30 -

SHARP CASH GROWTH IN FARM YIELD NOTED-Washington-The American farmer grew \$2.38 worth of products in 1944 for every dollar's worth produced five year earlier, the Census Bureau reported today. The nation's 5,900,000 farms averaged \$3,100 each in products sold or used at home in the latter war year, as compared with a 1939 average of \$1,300 the bureau estimated on the basis of data from 223 countries. Farms became larger over the war period. The 1945 average size was about 195 acres, showing a twenty-one-acre growth from 1940.

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Farm Digest 1645-46-2

From the New York Journal of Commerce, July 31 -

SWEEPING DECONTROL PROGRAM IS PUSHED FOR GRAINS, PRODUCTS, Washington- Petitions for the continued decontrol of all grain and feed grain prices beyond Aug.20, together with petitions requesting the immediate decontrol of food products processed from grains, are now being prepared for early submission to the Price Decontrol Board and the Secretary of Agriculture, it was disclosed today.

Under the law, the Price Decontrol Board is charged with "forth-with" considering whether the grains and feedstuffs manufactured from them to continue free of regulation after Aug.20.

However, in the case of flour and other foods processed from the grains, which still remain under price control, the petition for decontrol, is to be made to the Secretary of Agriculture, under the terms of the law. Nevertheless, flour industry representatives expect to be heard during the hearings on continued grain decontrol, because of the complete tie-up of flour prices with wheat prices.

The National Grain Trade Council, the American Feed Manufacturers Association, the Millers' National Federation, the National Association of Commodity Exchanges and Allied Trades, Inc., and individual grain interests are all planning to present their arguments for decontrol to the Price Decontrol Board and the Secretary of Agriculture.

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CEILINGS MAY FORCE LABOR SHORTAGES, Washington - A scramble for workers between industries not operating under price restrictions and those which have to tailor their costs to official ceilings was foreseen here today by some Wage Stabilization officials as a possible outcome of a tightening labor market.

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INDUSTRY, AGRICULTURE LOAN RISE IS SHARPEST SINCE JUNE - Commercial, industrial and agricultural loans outstanding for member banks of the Federal Reserve System in 101 leading cities gained \$164,000,000 during the week ended July 24. This was the sharpest increase in this asset category since the beginning of the current rising trend of the past two months, the Federal Reserve Board reported yesterday.

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COTTON PRICES OFF IN ORDERLY MARKET - Cotton futures fluctuated within an 80-point range in a more orderly market yesterday on the New York Cotton Exchange. Despite support by the trade, the general trend was downward. At closing, the range was off 8 to 50 points.

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RIO GRANDE COTTON CROP VALUED AT \$30,000,000, Austin- Cotton farmers of the Rio Grande Valley, where the harvest is about half completed, will pocket \$30,000,000 this season, the biggest income in 25 years, according to Agriculture Commissioner J. E. McDonald. The State's cotton crop generally is small, although slightly larger than 1945's abnormally small planting.

(Turn to page 4 for other items from - - - today's N.Y. Journal of Commerce.)

Farm Digest 1645-46-3

From the New York Journal of Commerce, July 31, (Cont.) -

GROWERS SATISFIED WITH 30C COTTON, Memphis - Cotton speculators may despair, but growers in the Memphis area are still calm. They say, 30c cotton is good enough for them.

The Memphis spot market closed at better than 30c—32.40c to be exact—for middling white 15-16-inch. While it is true that this means a drop of 340 points from last week's close of 35.80, the market is still 1,000 points, or \$50 a bale, above the close for the same week last year.

The crop continues to look fairly good through the Memphis area, but there are reports from Mississippi of increasingly serious damage from bollworm and of too much moisture in some areas. From Arkansas come reports of a mysterious insect believed to be a cotton flea hopper, which is causing damage.

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CEREAL PRODUCTS - Some corn meal mills were reported to have shut down following the return to old ceiling prices and trade spokesmen stated that unless more realistic pricing policies are followed there will be little if any corn meal available for the next few months.

New crop corn is being purchased for delivery by Dec. 15 at prices hovering around the \$1.40 level, Chicago basis, but the nearby outlook is bleak and even if corn ceilings are rolled back on Aug. 21 to the old level it is feared that this will revive the black market and prevent millers from obtaining badly needed supplies.

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From the New York Wall Street Journal, July 31 -

CPA PLANS NO GENERAL EXPORT SALES CURB, Washington - The restoration of price control has made it unnecessary for the Civilian Production Administration to issue a general order limiting sales for export, Robert C. Turner director of C.P.A.'s Bureau of International Supply, said.

C.P.A. expects to add a number of scarce commodities to the "positive list" of materials under export license control. The additions are necessary because exports have risen to record peacetime heights and exports of some commodities have increased "so much that they involve serious interferences with the domestic reconversion program," Mr. Turner said.

"There is also evidence that large export orders at high prices were placed during the recent period without price control," he added.

Mr Turner warned the decision not to issue a general export order now does not mean export controls will be relaxed.

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OPA PLANS TO RAISE WHEAT, FLOUR CEILING, Washington - An amended and higher price ceiling for wheat flour is now being prepared by the Office of Price Administration. The new regulation is expected to be announced today.

It is understood the new ceiling price will be based on the market price of wheat at the time the amended order is issued, plus an allowance of about \$1.03 per hundred pounds to compensate millers for loss of the federal subsidy payment on flour.

Millers' representatives say this method of computing prices will result in ceilings approximately the same as those in effect on June 30, except for the boost to replace the subsidy.

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From The Memphis Commercial Appeal, July 28 -

WHITTEN WILL HEAD AGRICULTURE APPROPRIATIONS-By William D. Sisson-Washington, July 27-Jamie Whitten, 36-year-old representative of the Second Mississippi District will move into one of the most important posts in the House next January due to the defeat of Representative Tarver in the recent Georgia election.

Representative Whitten who has been ranking member of the seven member subcommittee of the House Appropriations Committee handling all agriculture appropriations will become chairman of the group when Mr. Tarver bows out after 20 years of service.

The Agriculture subcommittee chairmanship will be another step in Mr. Whitten's outstanding record, compiled in five years as a member of Congress.

Elected to Congress in November 1941, he became a member of the Appropriations Committee after 14 months service. By way of contrast, Representative Tarver was in Congress more than 10 years before he was assigned to the Appropriations Committee.

Promoted to the subcommittee on Agriculture appropriations, Mr. Whitten quickly forced the allocation of funds from other regions to the South to pay in full the Government's commitments to Southern farmers, resulting in an additional \$13,000,000 for the Southern farmers.

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From The Boston Christian Science Monitor, July 29 -

PRICE RISES SLATED TO HIT PEAK IN FALL-By Josephine Ripley-Washington, July 29-Prospective price increases under the new price-control law find Americans clutching their purses apprehensively, but the total impact of these rises on family budgets cannot be gauged until fall, according to Office of Price Administration officials. Not until then will all the various price adjustments allowed for the bill finally work their way up through the various levels of the price structure to the consumer. Contrary to what appears to be a fairly general impression, the price actions taken by the OPA immediately on its resumption of activity were not regulations prompted by the new law, except in a few instances. Most of these adjustments, it has been explained, were already in process when the OPA expired on June 30.

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From Chicago Journal of Commerce, July 29 -

BRITISH TRADE BLOCK-During the war it was repeatedly dinned into our ears that multilateral trade agreements were going to replace bilateral pacts in the postwar period and thus remove some of the frictions that lead to international conflict. There was a general concord among the United Nations, in which Great Britain and Canada joined, that emphasis was to be placed on the free flow of commerce.

It is interesting, therefore, to note that in the last few days, and within a week of final congressional approval of the loan to Britain, the United Kingdom and Canada have signed a wheat agreement that may plague American producers in the surplus years ahead.

Britain will use this wheat for trading purposes in Europe and other areas. The disposition of the grain will be to peoples who ordinarily would be interested in our United States wheat. From the broad viewpoint of encouraging multilateral world trade, however, the agreement is thoroughly bad. It was made in complete disregard of the International Wheat Council and in violation of the spirit of the U. S.-British loan agreement.

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From The New York Packer, July 27 -

CONTINUED HIGH RETAIL PRICES CAUSE WONDER-New York, July 26-Persons closely associated with the wholesale marketing of fresh fruits and vegetables are at a loss to solve the riddle of high retail prices at a time when wholesale prices on many commodities are so low as scarcely to cover cost of production. These observers are not alone in their befuddlement.

"When," it has been asked, "will retailers take a tumble to themselves and reflect low wholesale prices in their charges to consumers of plentiful items?"

Some of the more reasonable retailers of fresh fruits and vegetables say they do try to lower prices when wholesale prices take a downward dip, but often find that when their buyers go back to the wholesale market to stock up on these commodities the price has bounded up again. In other words, they say the ups and downs are so quick and so violent at wholesale as to make it difficult, if not impossible to reflect every change--and remain in business.

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From The Antigo (Wis.) Daily Journal, July 27 -

VALUE UNDERESTIMATED-Here in the Middle West there is a tendency to underestimate the importance of our export business and even to think we might very well get along without it. However this attitude is very mistaken. According to Louis W. Byrne, chief of the New York port authority's promotion division, about 55 per cent of all general cargo exported and imported through the port of New York comes from or is destined to six Middle West states. These states are Wisconsin, Illinois, Indiana, Iowa, Ohio (western) and Michigan (southern).

The Middle West is expected to do about a \$4,000,000,000 to \$6,000,000,000 export-import business annually -- based on what traders call a conservative estimate of the \$10,000,000,000 annual overseas business in store for the entire country.

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From The Kansas City Star, July 28 -

A TEST FOR GRAIN-What happens in the next three weeks in the grain market may determine whether or not ceiling prices will come back. The period between now and August 20, when controls may be reimposed, will be a testing time for those who believe the law of supply and demand will supersede man-made prices through controls.

Nature, in furnishing record crops of corn and wheat and a bumper crop of oats, has acted to bring the law of supply and demand back into operation.

Feed prices, which jumped quickly in early July to drag grains out of hiding to provide feed for poultry and livestock, have begun to sag markedly. Manufacturers have reported that feeds at inflated prices are difficult to sell and it is understood that more than one concern in this field is jockeying with buyers and is prepared to sell at lower prices if the situation continues dormant.

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From The New York Wall Street Journal, July 30-

GEORGIA GROWERS ASKED TO HOLD THEIR 1946 COTTON CROP-Atlanta (AP)-State Agriculture Commissioner Tom Linder said a meeting would be held here next Monday to ask cotton farmers to withhold their entire 1946 crop from the market.

Mr. Linder charged the Department of Agriculture and the Department of State were withholding export information from the farmers in an effort to drive down the price of cotton. He also expressed belief that the present OPA law is unconstitutional.

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